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Machine Tool Spokesman

Canada's machine tool industry has a new chief spokesman: Marvin Bowman, sales manager, Modern Tool Works Ltd., Toronto. He takes over presidency of the Canadian Machine Tool Builders Association at a time when the $10 millions-a-year industry faces some stiff import competition and problems in the transition from tooling for defense to meeting the demand of expanding Canadian industry for newer and more efficient machines for industrial production.

THE NATION'S BUSINESS

What's Ahead?

The main key to 1954's business level lies in the answer to one question: Will consumers spend less, as much, or more, than they spent this year?

You cannot answer it without getting caught in a circle. If the business level is high, personal incomes will be high; and people will likely spend freely. With prices expected to remain fairly steady, there is no reason for buyers to hold off. But if business declines, incomes will go down; people will spend less. And the business decline will be aggravated.

The most encouraging single piece of news this Christmas, therefore, is this:

After careful surveys, the consensus among government and other economists is that the level of personal spending will be well sustained in 1954. Their answer to the key question is: Canadians will likely spend as much as they did in 1953.

This is a general answer, and it must be applied in general over-all terms. Note several things that it does NOT mean.

1. It does not mean that consumer demand will be spread over the same fields or the same goods in the same proportions as in 1953. There will be swings.

2. The general forecast does not mean that unemployment, at least during the winter, will not be higher than in 1953. It probably will. Nor does it mean that certain industries will not have a rough time next year. Some probably will.

3. It does not mean that Canadian manufacturers alone will get the benefit of sustained Canadian demand. Conditions are increasingly competitive in other countries as well and men of other lands will be putting up a stronger fight for a share of the Canadian market. The pressure of imports may be a major factor for several of Canada's consumer goods' industries, such as textiles.

4. The forecast does not mean that farm incomes will be as high as 1953—especially on the prairies they won't. The demand for farm implements, which some manufacturers overestimated this year, is unlikely to be very strong.

Putting aside these negative factors, here are the main positive factors which add up to a total pretty well sustained:

The main factor in the level of personal incomes is what is called "wages, salaries and supplementary labor income." It is more than 60% of the total. Latest figures show it has been running 9% above 1952, and this carries right through the third quarter of this year. This rate of increase probably won't hold for 1954. No special upsurge in employment, such as the surge in our defense program brought, is in sight for next year.

And there is strong promise of continued strength in other factors: Government spending will be about the same or higher. Private investment surveys suggest that the '54 figure won't be much different to '53's. The export picture now promises to be about the same. Corporate profits will probably be a little down.

For amplification of these brevities see article "The '54 National Income," page 2.

But in the reading of any forecast remember this: There are always individual business firms and individual human beings who run contrary to the averages.

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The Hope of the World

If the western world doesn't keep its wits, Moscow is well on the way to winning another major victory—and since 1945 Moscow has had a long string of victories. Very smartly, Russia's reply to the Eisenhower atomic control plan has been to coo like a dove.

The sounds the Communists are emitting make it seem that the Kremlin is the real and only centre of the spirit of peace, and human brotherhood.

Nothing, of course, could be more astutely designed to help weaken the solidarity of the Western powers and to make them falter in their efforts to achieve a reasonable measure of security.

All freedom-loving people are terribly tired of the cold war. We are all exasperated with the enormous load of taxation which security measures involve. We are all terrified by the babble of tongues, confusion and conflict which continues to rage between the non-Communist nations and in their stumbling and fumbling efforts for effective unity in security measures.

To let the Moscow dove-cooings make us pause in our strivings for security would be perilous folly.

But there must be another aspect of our common policy toward Russia and it is equally important.

That is to use, seek out and exploit every possibility of ending the cold war; of finding some way whereby East and West can live together on this tiny planet.

We are in as much danger from the "never a deal with the Russians" people as we are from the "there's no real danger" people. It is on this point that so much deeper wisdom has emanated from London than from Washington. And it is on this point too that the main basic conflicts in policy between the U. S. and Britain have turned.

With their Rover-boy approach to diplomacy, the Americans tend to want "to get things settled." The British, with their sense of history, know that in world affairs as in human affairs, the business of living involves many second-bests, many compromises, much tolerance of differences.

It is on the success of diplomacy that the hope of the world rests—probably, too, the physical survival of this planet.

To All Our Readers
The Financial Post Wishes
Cordial Season's Greetings

Better Sailing Ahead For Our Deepsea Fleet

Can Get U. K. Registry For The Short-Term Plan, While Government Studies May Offer Some Relief On New Ships, Major Routes

OTTAWA (Staff)—A new gleam of hope for the Canadian shipping industry appeared on the horizon this week in behind-the-scenes talks with Government. It has re-opened some possibility for the long-term future of ships flying the Canadian flag. At the same time, their short-term future has been assured by the invitation to apply for immediate transfer to the United Kingdom flag.

The United Kingdom Government has agreed to Canada's request to accept the remaining deep-sea dry-cargo ships now on Canadian registry as well as the 90 already transferred. The terms will be the same as under the 1949 transfer agreement. (The Financial Post, Dec. 19). Applications, to be handled on an individual basis, are being made to the Canadian Maritime Commission.

The great majority of the remaining 10,000 ton war-built Park vessels are expected to be transferred—probably 26 or 27 of them. A few others will be sold, with the proceeds left in escrow. Because of special circumstances the odd ship may be left on Canadian registry, but it will be the exception.

In the short run, this transfer arrangement will enable Canadian shipowners to operate their ships without losing money, but simultaneously with the green light for this mass transfer, two other developments offered some hope for the long term.

Long-Range Planning

Here are the two important behind-the-scenes developments:

1. The Government is beginning to give serious consideration to its earlier vague hints about possible route subsidies. Any subsidies which might be paid for particu-

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Tariff Appeals To Charge Customs Men Beyond Law

OTTAWA (Staff)—The anti-dumping duty which has been levied on clothing imports from Czechoslovakia and Poland for more than a year is now being challenged before the Tariff Board.

It is the latest of four recent cases which have brought in question the administrative powers exercised by the Customs authorities. The allegation lying not far below the surface in all of them is that the Customs authorities were doing things not covered by the letter of the law as laid down by Parliament.

Here is an outline of the cases, each one of which may affect a much wider range of business than the firm immediately affected:

1. The Czech Case. This was an appeal brought by Tooke Bros. Ltd. of Montreal against the valuation for duty assessed on woolen scarves imported from Czechoslovakia. The value for duty had been assessed at 50% above the invoice value. Counsel for Tooke Bros. produced letters from the exporter in Czechoslovakia which purported to give details both of his domestic selling prices and of his costs of production.

Counsel for the Department said that repeated efforts to get information about domestic selling prices and costs of production in Czechoslovakia had failed. They were not prepared to accept the letters from the exporter. And they insisted that the individual appraiser at Montreal had been within his powers in imposing a value for duty of 50% above invoice.

Not mentioned at the hearing, but lying at the heart of the case, is a departmental instruction to Customs inspectors issued Nov. 14 last year. It gave a list of goods from Czechoslovakia and Poland, and told the inspectors that if the value shown on the invoice appeared to be below the "fair market value" as defined in Section 35 of the Customs Act, then the invoice value should not be accepted.

In such cases, it said: "Appraisal may be made at an advance not exceeding 50% over invoice values" under what is now Section 36.

This section says: "An appraiser shall, by all reasonable means in his power, ascertain, estimate and appraise the true and fair market value, any invoice or affidavit to the contrary notwithstanding."

The question which, it seems, the Tariff Board will have to settle is whether this empowers an appraiser with or without instructions from the department or the government to add 50% to the invoice value without regard to Section 35 of the Act which lays down the way dutiable value is to be determined.

2. The Packaging Case. A decision of the Tariff Board on how cartons and other coverings are to be assessed has upset the practice of the Customs authorities. Amending legislation may be needed to put it right.

The decision was on an appeal by J. S. Masson Co. of Toronto against the way duty had been levied on cartons in which they imported glassware from the United States. The cartons were invoiced separately from the goods they contained: and the importer claimed they should have been liable only to the 7½% duty applicable under tariff item 710 (B.) The Department charged them together with the class they contained at rates of 17½% or 22½% under tariff items 326A or 326(2).

The justification offered for the higher rate of duty was a ruling issued by the Minister of National Revenue last May. Its effect, in brief, was that packagings would not be dutiable separately from the goods they contain—even if invoiced separately

(Continued on page 2 col. 3)

New Finds Make Survey of Mines Exciting Volume

Continued record-making expansion of Canadian mining is again shown in the 1954 edition of the Survey of Mines now off the press. Numerous new finds made over the last year are reflected in both text of the new volume and a revised and enlarged map section.

A continuation of record-making expansion of recent years will again feature the Canadian mining industry in the year ahead, the survey shows.

The 1954 volume provides the information on individual companies so essential to investors and speculators: ore prospects, reserves, earnings, working capital, details of management, capital structure and dividends. An eight-year price range of stocks, mineral production tables extending back to 1858, and lists of all mining and milling plants in Canada are included.

A limited supply of additional copies is available from The Financial Post, 481 University Ave., Toronto. Price $3 a copy.

PRICES

Pulp (sulphite, unbleached) is expected to jump $5 a ton on Jan. 1, 1954. New price will be $125 a ton. Other grades will likely remain unchanged. Higher price on unbleached sulphite said to reflect improved demand.

Copper scrap declining ½c a lb. in U. S. on most popular grade (No. 2). On basis of the new price custom smelters would seem to be counting on copper selling at about 27c or 27½c a lb. within the next 90 days.

Coffee (green coffee, New York futures) climbed to highest levels in 71 years this week. Although Canadian retail price jumped 2c a lb. a week ago further increases now appear likely.

Tea has jumped another 2c-4c a lb. to wholesale and chain outlets. The gradually higher price trend is said to reflect decreasing supplies of lower price grades and increasing demand for the remaining higher quality types. Price now up 10c a lb. from a year ago.

Cocoa continued strong reflecting recent official forecast of smaller-than-expected crop on the African Gold Coast.

Copper Strike To Galvanize Big New Area

By GORDON M. GRANT

A wide, rich new copper mine with a big zinc-copper-silver mine right alongside is the fascinating prospect for an entirely new mining section of Ontario midway along a 150-mile stretch between Michipicoten iron mining and Little Long Lac. From present indications one of the very best discoveries of 1953 has been made here, rating possibly only second to the Bathurst lead-zinc finds.

Owned by Geco Mines, in which General Engineering Co., Consolidated Howey Gold Mines and Harry W. Knight, Sr. are interested in approximately a 50-25-25 ratio, the property is 40 miles north of Heron Bay, Lake Superior. It is also only 30 miles north of Hemlo on the CPR so that construction of a railway for a big mining operation should present no problems.

The Geco property will be of

(Continued on page 14, col. 3)

Ironing Out the Problems On the Natural Gas Front

By W. L. DACK

The signs this week were multiplying that 1954 would see a firm beginning of Canada's $350 million 2,000-mile natural gas pipeline.

There are still many problems, but they are being ironed out.

In the first place, there is real promise now that both a sizeable interruptable and a firm industrial market can be built up much more rapidly in Ontario and Quebec than had at first been thought possible. This would include such potentially large consumers as Ontario Hydro's two steam plants, Sarnia chemical plants, an Oakville, Ont., auto manufacturing plant, nickel mines at Sudbury, etc.

An earlier market survey done by Bechtel Corp. stated that interruptable or storage gas could be made available in the East at around 35c per m.c.f. by using a 36-inch line operating close to capacity. It is considered highly likely that at this price, or even 36-37c per m.c.f., Ontario Hydro's Toronto and Windsor plants could use gas. An important factor in gas's favor would be the saving over coal in inventory and handling charges.

Prospects are also brighter for a satisfactory deal between Tennessee Gas Transmission Co. in U. S. and Canadian pipeline and utility companies whereby the U. S. company would supply gas into the large Toronto market area in the first two or three years. The gas would be supplied on a pay-as-you use basis, a most advantageous arrangement in a period of market build-up. When the transcontinental gas pipeline had reached the East, western Canadian gas would be fed back into the Tennessee system in New York state. The gas would be supplied Tennessee on an interruptable basis—probably in the summer off-peak load months when Tennessee could store the gas in its extensive Pennsylvania storage fields.

At the same time, there is a strong possibility that an ar-

(Continued on page 14, col. 4)

Our Sugar Pact With Cuba Terminates at End of Year

OTTAWA (Staff)—Canada will no longer be bound to take 75,000 tons of sugar annually from Cuba after the end of this year. The special arrangement made at the Torquay conference of GATT in 1951 was the price Canada then had to pay for some important tariff concessions by Cuba. The arrangement is not now being ended by Canada. But Cuba is understood to have decided not to ask for a renewal.

The reported Cuba decision arises out of trade talks with Britain. It is bound up with a new settlement of tariff and trade questions between the two countries and with the new International Sugar Agreement. U. K. stipulated that if the special sugar arrangement between Cuba and Canada was continued, it would not bind itself to limit sugar exports from the Commonwealth to the "free market."

Commonwealth sugar producers have always been keen to keep the Canadian market for themselves. They enjoy a wide margin of preference, and can get better prices here than in most of their other markets.

Cuba evidently decided it had more to gain from U. K. acceptance of the sugar marketing arrangements proposed under the new international agreement than from the 75,000-ton guaranteed outlet in Canada. Under its new agreement with U. K., it has also extended for three years certain tariff concessions made outside GATT, in return for a British promise not to discriminate against Cuban sugar and to buy some Cuban cigars.

Canada was ready to stand by the sugar quota to Cuba, if that had still been the price of keeping the Cuban tariff concessions. But they are now bound, along with all the other GATT concessions, for another 18 months. And Canada is freed from the only fixed quota arrangement which this country has entered into. It never strictly conformed to the trade principles Canada professes, and Ottawa is glad to be out of it.

Stiff Wage Demand At Ford Ignores Union Executives

The surprisingly high wage demand—averaging about 18%—presented to Ford Motor Co. of Canada by the United Auto Workers of America is being studied this week with first meeting between the two parties scheduled for Monday.

The demand for a 30c hourly wage boost, far out of line with the trend toward smaller increases, is not being regarded seriously. General impression is that the union will lower its sites substantially before negotiations proceed far. Here's why:

—With the industry heading into a period of sharply increased competition, the company will be striving to hold costs down so that no increase in retail prices will be necessary.

—The membership of the union is intent on extending welfare benefits in the Windsor plant and may be willing to trade a high wage boost for improved hospitalization and sickness insurance.

—The high demand hasn't the blessing of the union executive, who regard it as unrealistic.

Actually, both George Burt, national UAW leader, and Charles McDonald, head of the Ford local, have warned the membership against what they term "stratospheric demands which the company would laugh at." Their warnings were not heeded, however, and the negotiating committee had no choice but to pass on the demand decided by the membership.

It appears likely, then, that the union demands will be pared substantially once the membership sees the opposition to them. The contract expires Feb. 18.

Possibly entering the Ford negotiating picture this year for the first time will be Ford's new Oakville assembly plant. A vote of employees to choose a union to represent them has been ordered for Jan. 8. It is expected that the UAW will win and that the union will strive for a master contract to cover all plant.

The guaranteed annual wage issue also appears in the picture this year with union officials terming the demands as a "first step" toward achievement of the goal. The reasoning: raise wages so that overtime will be so expensive for the company it will spread employment more evenly over the year. This isn't expected to work out though with Ford intent on maintaining high 1953 production, particularly at the beginning of the year.

The High Cost of High Jinks

What the Hat, Horn and Headache Brigade Will Pay

Canadians may have heavier heads but money bags will be considerably lighter New Year's Day after picking up one of the heaviest tabs yet for New Year's Eve celebrations. But more money than ever before will be funneled into home entertainment.

For thousands seeing the New Year in at night spots from coast-to-coast $50 to $100 per couple will be average for dinner, dancing, refreshments, transportation and the many extras including aspirin and seltzers.

Average price for just dinner and dancing is $15 per couple, but it's as high as $50 and $75 with everything else extra at some of the more exclusive night clubs in major centres.

It all shapes up as the usual gay night for all. Big city downtown hotel and night spot operators may lose some of their regular clients—the growing and well-to-do suburban populations—if they heed police warnings about drinking and driving and stay away from downtown.

From the carriage trade to the less wealthy home owners a 10 to 20-mile taxi trip (if you can get one) does not appeal as an alternative to driving downtown. The result is a boom in home parties and big business for caterers and even substitute driver services (limited to districts).

For the big cities, the big nightspot spenders will be the once-a-year apartment and flat dwellers whose landlords might complain of too much merrymaking. Night club operators say they'll try to give these "relative strangers" an exceptionally good time.

Special New Year's Eve entertainment of two to four acts costing $200 to $500 per act for the one night will not be unusual. Some operators say more effort than ever before will be taken with the food and trimmings—such as: well cooked turkeys, multi-course meals, more attractive decorations and the usual noise makers, streamers and balloons.

In the West prices will be lower than in Ontario and Quebec at around $15 inclusive for dinner, dancing and all refreshments except liquor. Similarly prices in Central Canada will have an edge on those in the Maritimes.

In Quebec, the 10 p.m. Dec. 31 curfew on bars and nightclubs will serve to keep even more people at home—as this curfew law has for the past few years. But the damper on public entertainment will not affect home hospitality and the business that goes along with it.

Ready Giant B.C. Metals-Plus Plan

Other Major Chemicals-Metals Firms To Join, Split Equity With Frobisher In Harnessing Yukon Waterpower For Far Northern Plants

BY MICHAEL BARKWAY

OTTAWA (Staff)—Work could be started next summer on a new metallurgical and chemical empire in Northern British Columbia, if the B. C. and Federal Government agree to commit the required water-power.

Formal applications will be made to both governments early in the new year by the directors of Quebec Metallurgical Industries and its sister-subsidiary of Frobisher Ltd., Northwest Power Industries Ltd. (Both subsidiaries have the same board of directors, headed by Thayer Lindsley, president of Frobisher.)

By that time it is believed that the preliminary financing will be already assured. Next week discussions will be held with "four or five" large enterprises in the chemical and metals fields which are interested in participation. The only name which has been publicly mentioned in the past in this connection was Monsanto Chemical Co. But it is not the only other company interested.

The project now proposed is strictly a stage-by-stage development, which could start out with a modest power plant of as little as 100,000 horsepower. But it would look to eventual development of 4.5 million hp estimated to be available in Northern B. C. and the Yukon. Cost of the first stage is put at no more than $12-$15 millions and at least one of the companies seeking participation with the Frobisher interests is understood to have offered to provide the whole sum.

But the proposed basis of financing precludes domination of the project by any one company. The intention is to split the equity capital at least four or five ways, and possibly on an even wider basis. Each participant will, in fact, be buying an assured share of the eventual 4½ million hp.

Basis for the application to B. C. and Federal Governments for water-power rights will be reports on the extensive ground surveys made this summer for Q.M.I. B. C. is believed to control rather more than half the water required; the rest is in the Yukon, under the control of the Federal Government. The Federal Government also has control over any diversion of water-resources outside Canada. No such diversion is contemplated in this case, as it would be in the case of Alcoa's application to divert Canadian water to Skagway.

The plans centre on an electro-metallurgical plant to be situated at Tulsequah, near the head of Taku Inlet in Northern B.C. Here Q.M.I. plans to process a considerable variety of ores. The first in line for treatment are nickel and cobalt ores from the Netherlands East Indies and New Caledonia. The supply there is said to be enormous. A little of the ore has already been shipped to Japan for treatment. But the B. C. plant would permit its full exploitation.

Another ore planned for treatment at Tulsequah is iron from the deposits at Klukwan just over the Alaska boundary near Haines. Q.M.I. has part ownership of large reserves of low-grade ore in this area, and some of it has been shipped to the pilot plant here for test treatment.

Apart from pig-iron production, these ores might be used for ferro-alloys, which are another major product planned for the new electric smelters.

Development by Stages

One of the main reasons for choosing the Taku site, instead of the alternative north of Haines, is that it lends itself admirably to progressive development, in which each stage will contribute to the next.

Here is an outline of the stages:

1. A tunnel of less than one mile will be driven from the south of Atlin Lake into Sloko Lake. This is a smaller body of water, very deep, which is actually higher than Atlin Lake. But its overflow is southward into Taku Inlet. With the new tunnel it would drain down to Atlin, raising the level there. But a small dam at the present outflow from Atlin Lake into Tagish would drive its waters back through Sloko Lake, now serving as a sort of conduit.

2. The first generating station will be built at the eastern end of Sloko Lake. Its output could be as small as 100,000 hp. in the first stage, but it will probably be more. It will serve two purposes. It will provide enough power to start small-scale commercial operations at the original Tulsequah plants. It will also provide the power necessary for the next stage of development.

3. This consists of a nine-mile tunnel running south from Sloko Lake. The tunnel will provide a 1,000-ft. drop; and the first main generating station will be at its exit. From this point a second,

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Inside News

The Year Ahead
This week, The Financial Post's business forecast for 1954. A searching look by staff writers at the variant economic forces at work at home and abroad and individual reports on outlook in capsule form, by industries, commodities, institutions (p. 17).

How Business Sees It
How does Canadian business feel about the future on the brink of the New Year? Industrial, commercial and financial leaders talk about their own business and the general economic climate in interpretive individual reports — starting on page 3.

Jolt For Reds
A Western Canada Red-led union hears some strong talk from a labor board. The labor union's actions and the board's reply (p. 25).

Floating Concrete
They're making concrete block that floats in Alberta. A new company, a new process and a new product. Keep abreast of what's new in construction with the Post's regular Construction Trends (p. 24).

Season of Surprises
Of a punch, a serpent of the Nile and Robin Hood tactics on Throgmorton Street. Adelphi finds it a season of surprises in his Letter from London this week (p. 28).

New Products
New ideas, new products, new processes will have important effects on the pace of business in the New Year. Keep posted every week on What's New (p. 25).

Stock Market Highlights

Industrials

Hamilton Bridge common touched postwar high of $20¼, up $4 from October levels and $6¾ from low (June). Negotiations re possible offer for stock reported, with $22 a share mentioned in one rumor.

Brazilian Traction common dropped $1 a share to $6¾ Tuesday on news of President Vargas speech hinting at possible unfavorable policy toward foreign-owned power companies.

Mines

Consolidated Howey features mining market Tuesday, penetrating $1 mark to touch $1.25. Reason: Excellent ore developments, including big widths of good grade copper ore, secured at Geco Mines property in which 25% interest held.

New Larder "U" discovers second lead-zinc ore body 1,500 ft. to north of first but stock moves slightly lower early in week.

The '54 National Income Outlook

Our Plus and Minus Signposts

On Balance, They Point to Another Good Year For Most

Herewith commentary on the 1954 outlook for some of the main factors which determine the business climate.

By MICHAEL BARKWAY

Government Expenditure. Federal expenditures, both defense and nondefense, look like being stable. There is small chance of reduction. At the provincial and municipal level, everything indicates a likely increase. Municipal services, in general, have not kept pace with the expansion of the last few years and have backlog to fill.

Private Investment in Plant and Equipment. Although the Government's annual survey of investment intentions is not yet complete, the early indications are that the 1954 level will be abreast of 1953. There will be some change in emphasis from resource development to expansion of commercial services. (The comparable U. S. survey indicates first quarter investment in new plant there will be 6% above the 1953 first quarter.)

Exports. More than half Canadian exports have been going to the United States. U. S. forecasts have drastically changed from the pessimism prevailing in September. Canadian observers try not to be affected by this, any more than they were persuaded by the gloomy atmosphere in the U. S. in September. But the new U. S. view tends to confirm the reasonably bullish feeling which has always prevailed at Ottawa about the U. S. economy in 1954. Exports to the U. S. therefore should be well maintained next year, always assuming that we don't get any more U. S. Government action against them.

In nondollar markets, the one decline from 1953 export levels which already seems certain is wheat. In other fields our main soft-currency customers started 1953 pretty well stocked, and they held their purchases low through the year. They probably can't cut down any more, and may even have to increase their purchases.

All this adds up to a generally sustained level of labor income, even if there is not much expansion.

Investment income, in the highly competitive conditions now foreseen, is harder to predict. The third quarter of 1953 already showed some decline both from 1953's second quarter and from the third quarter of 1952; and what the published figures chiefly reflect is the level of corporation profits before taxes or dividends have been paid. But, given the maintenance of consumer spending and good employment, Canadian firms should still be able to make profits, even if the rate is a little down.

Farm income is the one factor virtually certain to decline. It is, however, only 14% of total personal income and it is still an open question how far the decline in farm income will mean a decline in farm spending.

Will Canadians spend? If it is right that Canadians will still enjoy a high level of personal incomes in 1954, will they spend them?

Here are some of the considerations suggesting that they will:

Prices are expected to remain fairly stable.

Inventories, over-all, are not high in relation to sales. September figures show unfilled orders almost steady, with increases for iron and steel, transportation equipment, and chemical industries. Some industries show an inventory accumulation, notably textiles, appliances, farm implements and construction materials. But, in the broad picture, it looks as though sales will continue to provide employment back to the manufacturing level.

Prairie farmer cash receipts in 1954 will probably be less than this year. But their spending in the rich years of 1951 and 1952 did not keep pace with their rise in income then. They have large stocks on hand (on which they can borrow); they start from a very strong financial position, and they will have at least a fair current income. The effects of reduced incomes of prairie farmers seems more likely to show in capital goods like implements than in consumers' goods.

Consumer credit may be well maintained. The rate of expansion slackened off in the third quarter of 1953; and nobody supposes that installment financing could have gone on increasing at the rate of the past year. But there is little sign that it will contract. On the contrary, available evidence about savings suggests that it will not.

Personal savings in the third quarter of 1953 were substantially larger than at the same time in 1952. If farm inventories are left out of both sides, they come to the astonishing high figure of 10% of personal income after taxes in the third quarter of this year.

Average weekly earnings, in real terms, rose over the past two years to as much as 16%. This has brought many people into higher spending brackets; and if real earnings are maintained, as expected, then this spending will go on.

Population is increasing, by natural increase and immigration. Even if unemployment is higher during the winter, the real test is whether the increasing number of Canadians find employment during the summer. If they do next year, as they have in recent years, they certainly increase the total demand for goods and services.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Anchor Cap & Closure Corp. of Canada Ltd., (Toronto) — F. C. Maywood, vice-president-sales.

Associated Clothing Manufacturers (Toronto) — Oscar James, president, James Brothers Ltd., president (re-elected); William A. Cook, Murray Levine, vice-presidents; Joseph Zeidel, treasurer; Warren K. Cook, hon. president; Irving Stone, hon. secretary.

Better Business Bureau of Quebec Inc. (Quebec) — James W. Phillips, Canadian Optical Service Co., president; Jules Precourt, vice-president; J. C. D. Rochette, treasurer; Wilbrod Bherer, secretary; J. Tessier, manager.

Canadian Aviation Electronics Ltd. (Montreal) — Charles F. Moor, assistant to the president; John W. Paddon, manager, commercial division.

Canadian Bechtel Ltd. (Toronto) — Sidney M. Blair, of Toronto, president.

Canadian Machine Tool Builders' Assn.—Marvin Bowman, sales manager, Modern Tool Works Ltd., Toronto, president; A. R. Davidson, vice-president; C. H. Stabler, secretary; Colin Boggs, treasurer; W. H. Stirling, J. T. Hepburn, Jr., and A. E. Turner, past president, members of the executive committee.

Canadian Public Relations Society (Toronto) — J. W. Lawrence, first national president; Stuart Richardson, of Montreal and Bryan Vaughan, vice-presidents; W. E. Austin, Toronto, secretary-treasurer; C. B. Bell, executive secretary.

John Stuart Sales Ltd. (Toronto) — John L. Stuart, director.

Ferro Enamels (Canada) Ltd. (Oakville) — Major-Gen. H. F. G. Letson, director.

F. H. Deacon & Co. (Toronto) — A. L. A. Richardson, associate.

Geo. McMurrich Sons Ltd. (Toronto) — Harold S. Lever, vice-president and managing director; Denis W. Mills, secretary-treasurer.

Government of Canada, Department of Public Works, (Ottawa) — A. A. Anderson, chief engineer; Robert Fortier, chief of administrative services and secretary; L. E. Corbeil, chief architect's staff; R. L. Elliott, executive assistant to the minister.

International Nickel Co. of Canada (Copper Cliff, Ont.) — Lance H. Cooper, vice-president. Mr. Cooper is chairman, Mond Nickel Co., in the United Kingdom.

Manufacturers Life Insurance Co. (Toronto) — Wm. C. Pichler, assistant agency superintendent.

Margison Babcock & Associates Ltd. (Toronto) — J. E. Margison, chief engineer, process department.

North American Life Assurance Co. (Toronto) — E. H. Hanley, director of agencies; A. S. Burton, treasurer; E. D. Gibb, actuary; D. T. Weir, underwriting executive.

Pacific Coast Fire Insurance Co. (Vancouver) — Stanley E. Porter, marine manager for Canada; Ernest Teager, superintendent for Eastern Canada; John H. King, fire superintendent for Eastern Canada; Frank H. O'Reilly, inspector for Ontario; Griffith J. Smart, superintendent for Western Canada; Jack M. Leoard, manager, new Winnipeg office; Hugh B. Morrow, manager, new Edmonton office.

Silk Mills Ltd. (Galt, Ont.) — Dean Rogers, general sales manager, fabric and yarn sales; Frank McAskill, Quebec Province sales manager.

Thomson Co. Ltd. (Toronto) — K. R. Thomson, executive vice-president; St. Clair McCabe, general manager and director; S. F. Chapman, treasurer and director; Allan Holmes, director; J. M. Davidson, executive assistant to the president and general manager, radio division.

T. S. Simms & Co. Ltd. (Saint John, N.B.) — Stanley F. Watkins, general sales manager and director.

Union Carbide Canada Ltd. (Toronto) — G. D. Garrett, Jr., president, Carbide Chemicals Sales Co.; W. M. Davidson, president, Bakelite Co.; A. A. Cumming, president, National Carbon Co.; D. S. Lloyd, president, Dominion Oxygen Co.; G. O. Loach, president, Electro Metallurgical Co.

W. A. Sheaffer Pen Co. of Canada (Goderich, Ont.) — Leon H. Black, president and director.

Williams & Knowles (Ontario) Ltd. (Toronto) — E. C. Grant, sales and advertising manager.

Tariff Appeals To Charge Customs Men Beyond Law

(Continued from page 1)

—where the usual practice in the exporting country was to invoice packagings and goods together. The ruling brought protests at the time from the Canadian Importers' Association.

The Tariff Board admitted the right of the Minister, under 710F, to issue rulings defining "coverings." But it said he had no right by such rulings to alter the rate of duty laid down in the tariff. So it allowed the appeal.

This has put the Department back in the situation which led to the ruling of last May. This was that there might be no way to separate the value of the package from the value of the goods in cases where they were always sold together in the exporting country.

In an extreme case—and the Customs authorities were faced with one or two such cases—it might be claimed that all the cost was for the package, dutiable at a low rate, and that the goods inside it were free.

In order to get back the power to control this valuation of coverings, it is thought the Government may have to have recourse to amending legislation. However, there is still time to appeal the Tariff Board ruling.

3. **The "National Distributor" Case.** This case arises out of an appeal by Rohm and Haas Co. of Canada which never came up for Tariff Board hearing because the company's case was conceded by the National Revenue Department. But it involved the granting of discounts for national distributors in Canada—a subject with a considerable back history. Rohm and Haas were importing duraplex and paraplex from the manufacturer in the U. S.

In Canada they were acting as national distributors and as such were allowed a discount by the manufacturers. But in the U. S. the manufacturer sells these products direct to paint manufacturers without a national distributor. There was therefore no evidence of domestic sales having been made at the same price offered to the Canadian importer. On this ground, the Customs authorities at first refused to accept the invoice as the value for duty.

Only after the appeal had been started before the Tariff Board did the Department of National Revenue, with legal advice, reverse its stand. It is still officially contended that this decision in Rohm and Haas case is not of general application, and does not mean that national distributors' discounts will now be accepted in all cases.

Since no Tariff Board decision was given on the case, no general rule has been established as binding on the Department. But it appears at least that the way may have been opened for importers to claim that discounts for national distributors should now be recognized in assessing dutiable value.

The Tariff Board ruling on the still-pending Rexair case may clarify the matter further.

4. **The Sales Tax Case.** This involves the Tariff Board ruling on sales tax exemptions for electric motors as "machinery and apparatus used directly in the process of manufacture or production of goods" (The Financial Post, Dec. 5). The Board held that exemptions from sales tax on such machinery and apparatus would not be legal until the Minister of National Revenue had, first, issued a definition of them, and second, formally authorized his Customs officials to act for him.

Dr. McCann told Commons, in effect, that it was impossible for him to do the first and unnecessary to do the second. The Department has made no move to break the legal deadlock, and takes the view that the whole thing is a fuss about nothing.

But more will probably be heard of it in Parliament, since Stanley Knowles (CCF) got a transcript of evidence given in the Tariff Board hearing, and several Opposition members have showed interest in trying to establish that the Minister has exceeded his powers.

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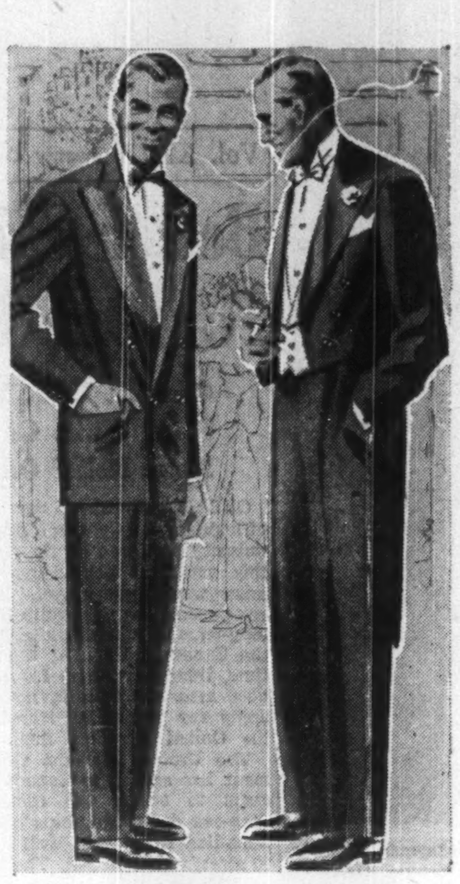

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Every citizen of La Province de Québec sees opportunity beckoning — is profiting from the ever increasing industrial activities.

AGRICULTURE—The most recent figures indicate that the annual gross value of agricultural products is more than $472 millions. The farm cash income amounts to $386 millions the major items being: live stock, $125,328,000; dairy products, $127,974,000; forest products from farm lands, $46,589,000; poultry and eggs, $35,951,000; fruit, vegetables, potatoes and tobacco, $28,751,000.

TOURISTS — During 1952 American tourists spent over $150,000,000 in the Province of Québec — a new record. Impressive as this figure is, development of the industry has just begun, for where else on such a scale can the tourist find impressive rivers, thousands of lakes, abundant fish and game and people who have lost none of the graces of hospitality which distinguished their forebears.

MINING — Production of Québec mines exceeds $270 millions a year. The three principal items making up this total are Gold, Copper and Asbestos. Gold accounts for 16% of the total value. Copper for about 15% and Asbestos 30%.

MANUFACTURING — The gross value of goods manufactured in La Province de Québec totals more than $5 billion dollars annually.

FORESTRY — Québec houses the biggest forested area in Canada, totalling over 350,000 square miles, of which 200,000 is considered productive. In 1951, the output of the pulp and paper industry amounted to $525 millions, that is, more than half the total Canadian production. The volume of newsprint produced rose to 2,884,877 tons valued at $290 millions.

ELECTRIC POWER — The available and developed water power in Québec totals more than 20,000,000 horse-power. The capacity of turbines installed amounts to over 7,736,000 h.p. The receipt of energy sold by central electric stations exceeds $130,000,000 annually. At present no limit can be seen to future possibilities. Some water power developments of the province already in operation are of gigantic size and emphasize what is to come.

LA PROVINCE DE

Québec

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How Businessmen See The Outlook For 1954

What's ahead for 1954?

The Financial Post asked top business executives from coast to coast, in all fields of business and industry for their views on the following questions:

—What is the expected level of business and employment for 1954?

—What is the probable trend of prices and costs?

—What are the special problems in your particular field?

On this and following pages, The Post presents the replies of nearly 100 executives. To the many distinguished men who have co-operated with The Post in making possible this useful and important forecast, the editors express their sincere gratitude.

A. J. Anderson

Vice-President, Frobisher Ltd.

At this time of year, we can look forward to Christmas and a deluge of forecasts of trends for the new year.

During the past 12 months, we have experienced a greater trend toward normalcy than has been apparent during the past 14 years and it is reasonable to expect that this will continue. Canada has experienced a great building and industrial boom and of a type that is permanent. Even with this prosperity, the cost of living has not increased materially. There is plenty of consumers' goods available and apparently sufficient money in the hands of the public to take care of their needs.

While the price of copper has remained quite firm, there has been great weakness in lead and zinc, causing many mines to close down. However, the long range picture for all metals appears to be excellent but a matter of inventory has to be adjusted. Progress in the field of rare metals and rare earths had advanced considerably in recent years and is reaching a point where one might anticipate boom conditions in any one, or several, of these elements. Interest in Canadian mining has grown year by year and the results of the confidence placed in Canada's ability to produce metals has actually been justified beyond what could reasonably be expected.

I would think, therefore, that 1954 will bring larger mining achievements in this land of great natural resources.

* * *

Melvin G. Angus

President, Canadian Shipowners Association.

Prospects for the Canadian deep-sea shipping industry in 1954 are, without doubt, at their lowest ebb since the end of World War II. The complete reversal of government policy during the past year has left this important segment of the Canadian shipping industry with no alternative except to discontinue the operation of Canadian flag ships in the deep-sea trades. Probably no other industry in Canada has been so circumscribed in the exercise of its normal commercial judgment by government controls and restrictions. Unless the Government recognizes the situation and takes some immediate action to assist the industry, it is obvious that the year 1954 will be noted, in shipping circles at least, as the year in which, for the third time in history, a Canadian deep-sea merchant marine disappeared from the seas.

In the interest of national defense alone, the presence of a nucleus of deep-sea shipping should be a matter of some concern to the Canadian people. However, in spite of the strongest representations, the Government apparently is content to rely exclusively on foreign shipping to maintain the Canadian economy and standard of living in peacetime and to depend upon assistance from other nations in the event of an emergency when world shipping would no longer be free to trade as it pleases.

* * *

T. H. Atkinson

President, The Canadian Bankers' Association and General Manager, Royal Bank of Canada.

Looking forward to 1954, I would expect to see, in general, the continuation of a high level of production, income, savings, employment and capital investment that has featured the Canadian economy for some time. But, while the general level of economic activity should remain high, there inevitably will be soft spots in various industries and businesses, indeed some are apparent today.

The over-all, decisive factor may turn out to be the extremely high momentum of Canada's growth and expansion that has been taking place on all sides in recent years, with its ability to sustain and absorb short-term, temporary setbacks without any serious diminution in speed and direction.

It is important to recognize that we are steadily moving away from a seller's market, that competition in the domestic as well as the export market, is playing, and will continue to play, a dominant role. The immediate future requires renewed emphasis on efficiency of operation, managerial alertness, careful cost analysis and, certainly not least, sustained salesmanship.

* * *

A. C. Ashforth

Vice-President and General Manager, The Dominion Bank.

While there seems to be no cause for alarm, there are a few disquietening signs for Canadian business in the new year. Among them: a rise in inventories, a substantial trade deficit and a continuing increase in consumer credit outstanding, which should be checked before too much of our future spending power is tied to current purchases.

Some of these factors are already showing signs of correcting themselves and generally the outlook promises high business activity with a continued high level of employment. Certainly, competition will become more acute, resulting in a probable lowering of the general price level and calling for increased efficiency in business.

Many new problems may be expected in the banking field as a result of the enactment of mortgage lending legislation.

* * *

D. W. Ambridge

President and General Manager, Abitibi Power & Paper.

In general the outlook for the pulp and paper industry in 1954 looks good.

The demand for newsprint in the U. S. remains at a very high level and there is no indication that it will slacken to any extent except seasonally.

Overseas demand for newsprint is also picking up and the improved position of Great Britain economically can be expected to increase the consumption of paper in the U. K. and in other parts of the Commonwealth.

We continue to hope for a strengthening of the American dollar and in view of the demonstrated strength of the American economy this can hardly be long delayed.

Altogether the prospects for 1954 are good and there appears to be a good deal of stability in the pulp and paper situation.

* * *

W. M. V. Ash

President, Shell Oil Co. of Canada.

While activity in the oil industry appears likely to level off in some branches in 1954, there will be compensatory advances in others.

For instance while the number of active geophysical and drilling units may decrease, the total amount of footage drilled will almost certainly continue to increase. Pipe line construction is slowing down, temporarily at least, but on the other hand several refinery construction projects are planned for 1954.

Completion of the great east and west pipe lines is particularly significant. They have made Western Canada the only oil territory in the Americas directly connected both to Atlantic and Pacific markets.

This opens up new outlets for Canadian oil but renders the industry more than ever susceptible to the world oil climate. Canada's oil industry (and this includes natural gas) can no longer be considered in parochial terms but must be regarded from an international viewpoint, carrying all the obligations as well as the benefits that that implies.

The sum 1954 may be a period of healthy digestion for the oil industry, and a period too of even more intensified competition, but it also promises further steady growth and a continued high level of employment.

* * *

E. G. Burton

President, Simpsons-Sears Ltd.

While there has been some slowing down in the rapid expansion of retail sales which has been under way for most of 1953, this year will establish a new record. In 1954, retailers should again experience a satisfactory sales volume.

Personal income is continuing at a very high level. The Canadian people are saving approximately 8% of their income received, so that if there is any slackening in the expansion of income it does not follow that there will be a similar slackening in retail spending. Nevertheless, there may be some shift in buying within merchandise groups. This could mean an increase in sales of clothing and other textile products.

With defense spending showing little signs of decline, and capital investment remaining high—particularly residential construction —1954 should be another good year — a year in which we consolidate the gains of the past for further expansion in the future.

It is most important that all governments — federal, provincial, and municipal — do not embark on new fixed commitments in their budgets which in turn increase an already heavy tax burden on corporations and on individuals. Indeed, one of the best guarantees of continued business expansion in Canada is the utmost economy on the part of the government and some reflection of this in a further improved tax structure.

* * *

L. W. Blair

President, Independent Fire Insurance Conference and also Federation Insurance Co., of Canada.

Notwithstanding a reduction in Canada's export trade during 1953 the volume of domestic business continues at a relatively high level. There is manifest a high degree of confidence in the future of Canada by foreign capital and business enterprises of various kinds, entering this country.

A prudent tax policy and careful administration of public funds, so that we can balance our budget each year, contributes in no small measure to the prosperity of the country and is a sustaining inducement for capital to come to Canada.

Through moderate taxation on business made possible by careful expenditures, our Government can be by far the greatest single agency for the continued development and prosperity of Canada.

There is every reason to believe that the year 1954 will see the same high level of business and employment as existed in 1953.

It is expected that prices and costs will on the whole maintain their present averages and as a consequence general insurance premiums will follow this trend. The general insurance business is meeting the demand for greater insurance facilities, as the growth of Canadian industry requires insurance protection of a magnitude unthought of 20 years ago.

* * *

J. M. Boulard

President & General Manager, The Stowell Screw Co. Ltd.

Canadian business activities have been represented as so dependent on international conditions, and so many economists and government departments predicting a downward trend for 1954, offers an unusual challenge to industry, to maintain a sound equilibrium.

I believe this challenge will make 1954 a good year, as it will bring out the old pioneering spirit of using initiative and ingenuity to overcome natural handicaps which after all are always existing in business.

With this in mind I feel 1954 will see a continued expansion of our economy and we are planning accordingly.

* * *

Norman G. Bethune

President, Dominion Board of Insurance Underwriters and Canadian Secretary, Home Insurance Co., of New York.

The insurance business is quite naturally subject to the ups and downs of the manufacturers, distributors and primary producers whose products and properties it protects. Therefore, if they predict a year of expansion and prosperity, we in the insurance business can look forward to the same experience. However, it is quite true that while we are subject to their ups and downs, we probably feel them with a delayed effect and therefore the experience in insurance is a result of the general trend and follows rather than sets the pace.

Having in this way declined to make predictions for the coming year, I might say that last year in the fire field has been free of catastrophic losses except in the supplemental contract where substantial toll was taken by the Sarnia tornado. This causes us to consider that we have a very definite catastrophic possibility under this contract as the severe windstorms apparently do not intend to stay south of the border.

In the automobile field, rate and other adjustments have to a great extent improved the market shortage for cover but improved experience depends largely upon a decrease in the number of accidents. This can only be brought about by a public appreciation of the necessity for care and courtesy in driving and a respect for and proper enforcement of the laws designed to bring this about.

* * *

J. T. Bryden

President, Dominion Mortgage & Investment Association and General Manager, North American Life Assurance Co.

The general business outlook for 1954 should, on the whole, remain very satisfactory, although there is likely to be a slackening in our rate of progress, a period in which some readjustments can occur. Our prosperity is soundly based on a growing population and a basic resources development program, but we have had such a sense of urgency over the past several years that one of our major tasks would appear to be the consolidation of the real gains we have made since the war.

The outlook for mortgage funds is difficult to assess. Lending institutions would seem to be approaching the position where mortgage investments are reaching a more normal relationship with respect to total assets, and further increases in mortgage investments may have to be more directly proportional to the increase in their assets than has been the case in the last several years.

The effect of the new government policy of a form of mortgage insurance in which chartered banks will be empowered to participate is not yet clear. If terms of the new insured mortgages having regard to safety, liquidity and administration cost are not competitive with other avenues of investment, additional funds may not be forthcoming in the volume expected.

* * *

J. D. Barrington

President and managing director, Polymer Corp.

In 1953 business in Canada reached the highest level in our history. There is always a tendency, when such a record has been made, to temper the outlook for the next year. Certain soft spots have become apparent in our economy and probably will become more distinct in 1954. Nevertheless I feel that we can expect a good year for Canada.

Canada's prosperity depends on its exports. Fortunately in Western Europe industrial output and the standard of living continue to improve and therefore the requirements of basic materials which it cannot supply continue to grow. Since the war much has been done to expand world trade. Canada has profited by this policy. There are now signs that those who would restrict trade for short term and narrow interest have begun to exert considerable influence in certain countries. Canada must be on the alert against such forces during the coming year.

Inflation has already slackened and may well remain dormant during 1954. Business competition will be keen but high activity should maintain employment and give strength to Canadian purchasing power.

Employment in the Sarnia area is expected to remain at a high level and prosperity in the district should be maintained. Polymer Corp. has felt some slackening in domestic demand for our products but this has been more than offset by the vigor of our export business. We plan to operate our plant in Sarnia at full capacity and are quite confident that we shall be able to sell the entire output.

* * *

J. U. Boyer

Vice-President and General Manager, The Provincial Bank of Canada.

It is impossible to survey the economic factors relating to Canada and be other than optimistic. The tremendous potentialities of this land are too apparent to justify any other conclusion.

But in registering optimism over the long-range view, a certain amount of restraint is necessary on a short-term survey. As we head into 1954, there are soft spots in some industries and in some areas, chiefly those dependent on export markets where competition, as to price and quality, is becoming keener and keener and where the basic difficulties of trade restrictions and currency convertibility appear as formidable as ever.

This element of competition is becoming intensified also in the domestic market, indeed we seem to be emerging into a general area where the seller's market is behind us, where the rewards and hazards of enterprise freely operate. That calls for renewed initiative and alertness, special emphasis in keeping costs in hand, efficient operation and sustained selling. In that picture, both labor and management have vital roles to play.

* * *

Ole Berg, Jr.

President, British American Oil Co.

During 1954 the general level of prosperity once again will reflect the continuing development of Canada's natural resources and the growth of its basic industries. Programs for finding new sources of energy, for expanding present sources and for transporting energy to markets will highlight the nation's industrial growth.

Additional demand for petroleum products (1953 had a 10% increase over 1952) will spur further exploration and production in Western Canada, and continued refinery expansion and improvements. In 1954 Canada will again increase its degree of oil self-sufficiency—at present standing at 45%. The recently arrived petrochemical industry will make further strides, supplying previously imported materials for manufacturers.

It has been suggested that some readjustments may be necessary in certain areas of business, but I can see no evidence of let-down in petroleum activity during 1954. This oil activity is reason for general optimism, because over the past seven years Canada's oil needs have been a good index of the country's industrial growth.

* * *

W. C. Butler

Manager for Canada, Pearl Assurance Co. and President All Canada Insurance Federation.

The year 1954 will be one of uncertainty, a year of taking stock, of shaking down our economy to a logical basis. There is a limit to which the purchasing power of the nation to absorb all the manufactured products now being turned out in mass production.

It will be a good year and will make possible a steady economy.

Since the war there has been a mad struggle to pick up the lost ground caused by war economy; but that stepped up manufacturing activity has now been absorbed, and there must be a leveling off. This may result in some unemployment and some recession in business, but in my

(Continued on page 5)

TOWN OF GEORGETOWN, Ont., has sold $140,000 5% debentures due Dec. 1, 1954-73, to Equitable Securities of Canada Ltd. and the Royal Bank of Canada. Debentures are offered through maturities 1959-73 to yield 4.75%. Proceeds for an addition to Georgetown High School, serving North Halton High School District.

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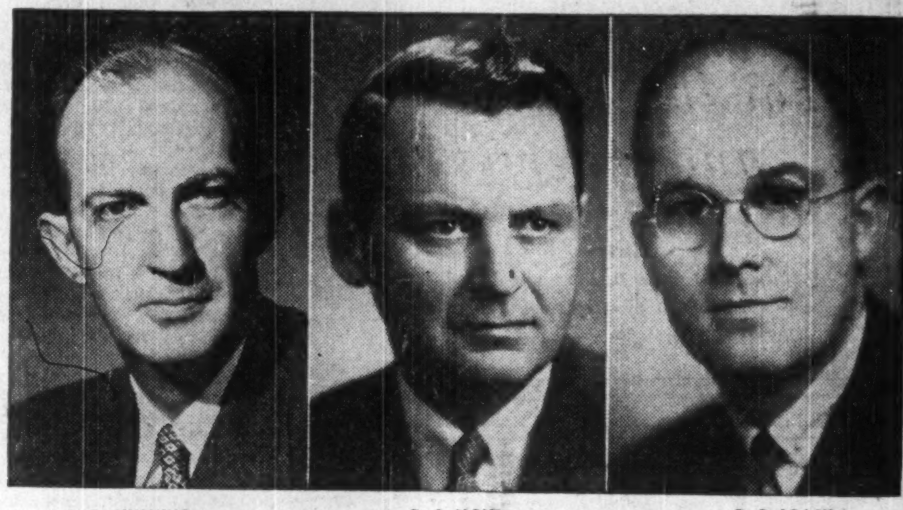


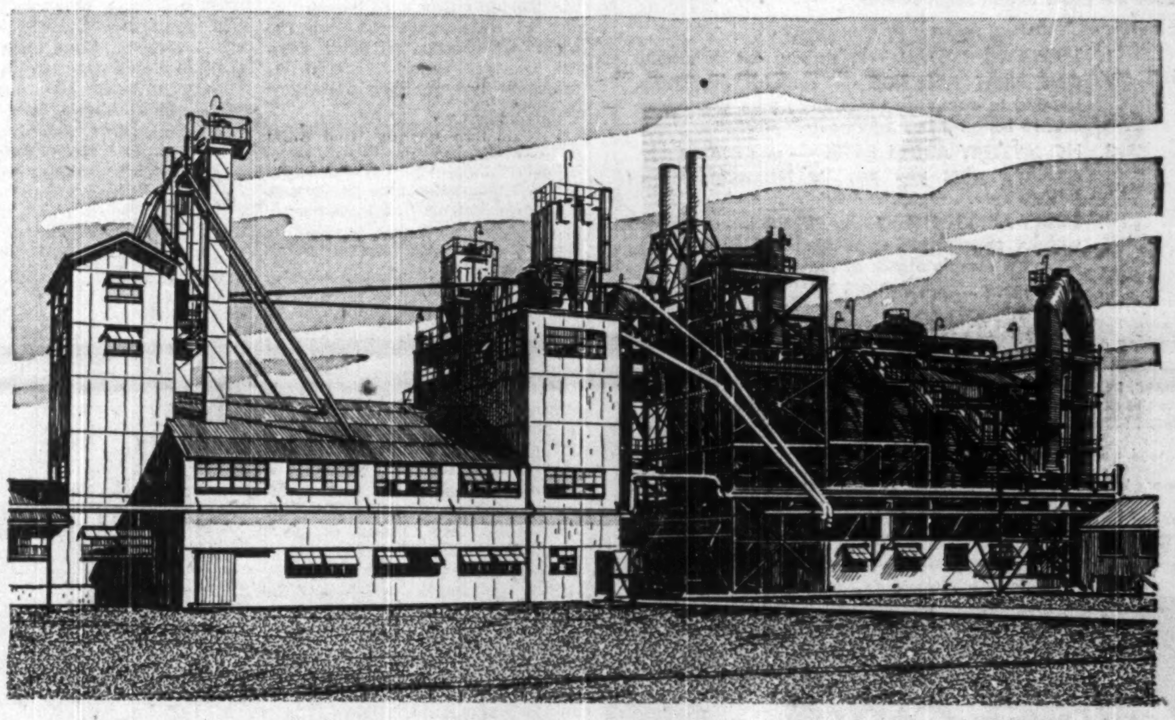
A. A. CUMMING — D. S. LLOYD — G. O. LOACH

Announcement is made to-day by Mr. Ewart Greig, President Union Carbide Canada Limited, of the appointments of Mr. A. A. Cumming as President, National Carbon Company, Mr. D. S. Lloyd as President, Dominion Oxygen Company and Mr. G. O. Loach as President, Electro Metallurgical Company, divisions of Union Carbide Canada Limited.

Mr. Cumming, a graduate of Dalhousie University, joined National Carbon in 1934 as a radio engineer. He served as a sales engineer and later advertising manager until 1939 when he spent a year as a research fellow at the Mellon Institute of Industrial Research in Pittsburgh, under a Union Carbide fellowship. In 1940 he was assigned to new product development, and later served a year in National Carbon's Advertising Department in New York. From 1942 to 1945 Mr. Cumming served in the U. S. Army Air Force, returning in 1946 to National Carbon in Toronto as assistant to the Vice-President and General Manager. In 1947 he became General Sales Manager, consumer products and early in 1953, Assistant General Manager.

Mr. Lloyd was graduated from the University of Toronto in 1925 with a degree in Electrical and Hydraulic Engineering. He joined the staff of Dominion Oxygen Company the same year as a service engineer. In 1936 he became Sales Manager of the Company and was appointed General Manager in 1938. In 1941 he was elected Vice-President and General Manager. Mr. Lloyd is a member of the Association of Professional Engineers of Ontario and the Engineering Institute of Canada, past chairman of the administrative board of the Canadian Welding Bureau and a director of the Canadian Standards Association. He is also a past chairman of the Canadian section of the Compressed Gas Association.

Mr. Loach was graduated from the University of Toronto in 1936 with a degree in Metallurgical Engineering. After several years of technical and administrative work in the metals industry, he joined Electro Metallurgical Company of Canada as a metallurgical engineer (sales and service) in 1945. He became Vice-President in 1951 and Vice-President and Assistant Manager early in 1953. Mr. Loach is a member of the Association of Professional Engineers of Ontario, the American Institute of Mining and Metallurgical Engineers, the American Foundrymen's Association and the American Society for Metals.



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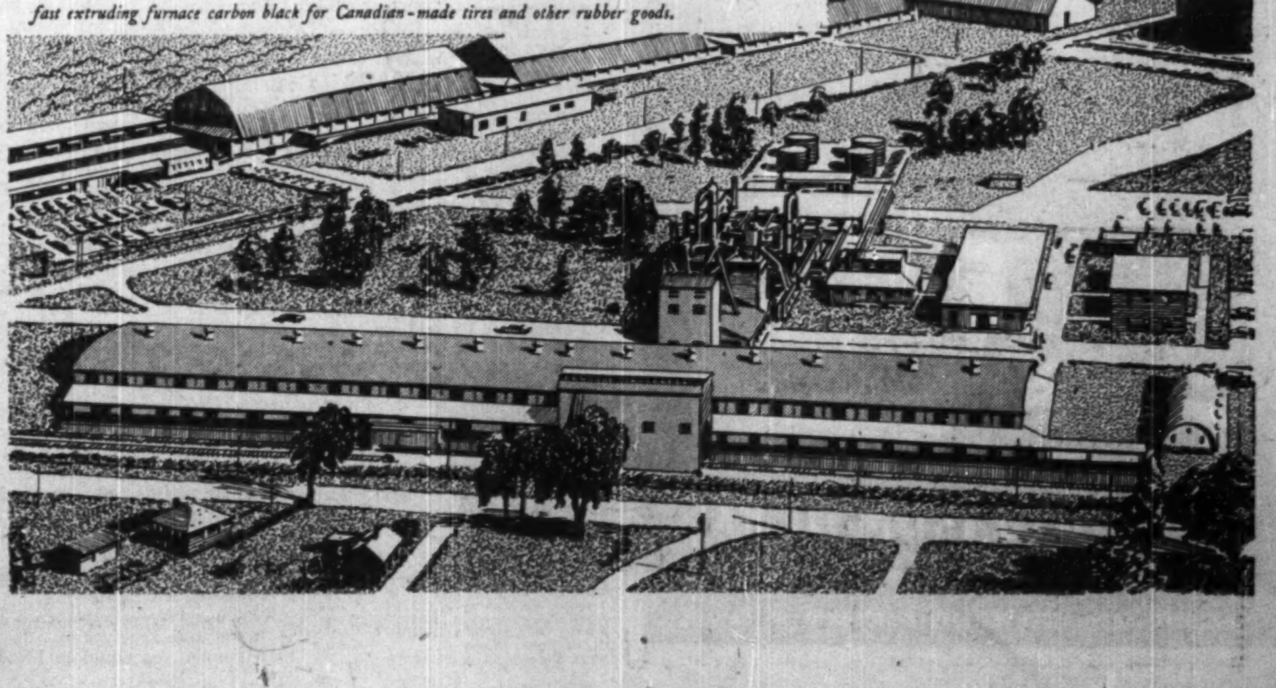

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They Spread the Risk

How Mutual Funds Fared in '53

Diversification Gives Them Strength In Dull Market

By VINCENT EGAN

Canadian investors during 1953 have been caught between two fires, at neither of which could they warm their hands.

On the one hand, the market prices of nearly all major groups of stocks have drifted irregularly lower throughout most of the year. On the other, future action of the market has become increasingly difficult to assess because of the uncertain trend of events in Washington, Korea and elsewhere. Selection of securities for investment, in such a market atmosphere, hasn't been easy.

This murky market outlook is undoubtedly one of the reasons why many Canadians have put their investment dollars to work in the shares of mutual funds. In this way, the investor automatically diversifies his stake in the market and assigns the tasks of selecting stocks, timing purchases and sales, hedging, etc., to the managers of the mutual funds—professionals who, he hopes, can do a more expert job of watching his investment than he can himself.

Although Canada has only a fraction of the number of mutual funds in operation in the U. S., there is still a fairly wide variety of funds from which to choose. Emphasis in fund holdings is on common stocks, but the portfolios vary considerably. The investor can choose one or a combination of two or more funds to fit the type of investment program he wants.

How well have Canadian mutual funds served their participants in 1953? As the French say, that depends.

Since different funds have different aims and methods, their results varied widely. But taking the performance of 12 dividend-disbursing funds as a group, the accompanying table shows that they have done about as well as the group of 20 stocks making up the Toronto Stock Exchange index of industrials and—for the most part—somewhat better than the Montreal Stock Exchange industrials and the Dow-Jones industrials.

By avoiding greater-than-average drops, the funds have therefore achieved at least part of their original aims—protecting the small investor from the serious trouble that can develop if the one or two securities he holds drop sharply in price.

Of the 12 funds, shares of three were selling at a higher price at mid-December than a year earlier, while the other nine had declined by from .02% to 14.8%.

Resources of Canada Fund, whose policy stresses investment in shares of companies engaged in development of Canadian natural resources, has shown the largest decline. In the same period—the year ended Dec. 14, 1953—the T.S.E. index of gold stocks fell 19.8%, base metals 18.2% and western oils 26.8%.

But the market price is only one side of the story. All 12 funds have maintained at least a modest dividend. Indicated yields on Dec. 14 ranged from 1.69% on Dominion Equity Investments to 5.47% on Leverage Fund.

Commonwealth International Corp., one of the oldest of Canadian investment funds, has just declared its 80th consecutive quarterly dividend. The declaration of 10c per share, payable Jan. 15 to shareholders of record Dec. 31, brings the total declared in respect of the current calendar year to 26c, an increase of 4c over each of the two previous years.

"The larger distribution to shareholders was possible because income was maintained and in some cases increased," a Commonwealth official told The Financial Post. "Operating expenses were lowered and the company this year adopted accounting procedures used by certain other mutual fund companies in Canada."

Whether dividends or prospects of capital gain constitute the prime reason for investors purchases of fund shares, proponents of the mutual fund system of investing can point to a growing number of stockholders.

"Investor demand for shares of Canadian Investment Fund Ltd. is already 50% greater in dollar amount this year than for 1952," said Alan Chippindale, treasurer and director of Canada's oldest and largest fund. "It is the third best year in the company's 21-year history, and the value of new shares issued this year exceeds that of shares purchased or redeemed in the ratio of 23 to one. Total assets exceed $45 millions."

Most other funds can show a similar growth pattern in number of shareholders during 1953. Their chief operating problem has been to maintain the net asset value of their shares, in the face of declining markets.

"The year 1953, like 1952, proved to be one of constant challenge to the investment managers of Canadian mutual funds," said A. K. G. Reid of the Mutual Accumulating and Mutual Income Funds. "While the general market, as measured by the TSE industrial index between Dec. 15, 1952, and Dec. 14, 1953, declined only 2.4%, the divergency of individual industry groups was most pronounced. Group changes ranged from minus 30% in the case of textiles to plus 15% for finance."

Mutual Accumulating Fund, unlike most other funds, automatically reinvests the income it receives rather than distributing it in the form of dividends. During 1953, MAF adjusted the weight given to investments in the various industrial groups.

"Notable moves were the expansion of holdings of brewing and distilling in the first quarter of the year onward, and the sharp increase in holdings of forest products from the second quarter onward," said Mr. Reid.

The big question facing mutual funds—as well as other investors—is which way next year's markets will move. Vice-president of Timed Investment Fund, J. C. dePencier says: "I feel that the adjustments that must come in an economy that has been going full blast for 10 years will bring lower stock market levels sometime during 1954."

What effect would a falling market have on the demand for mutual fund shares? Here's what Canadian Investment Fund's Alan Chippindale says: "The substantial decline in prices of speculative securities over the past year or two is causing investors to become more conservatively minded. This augurs well for an increased demand for CIF's shares in 1954."

The accompanying table shows asking price of the fund's shares at quarterly intervals as a percentage of the price on Dec. 15, 1952. Here are the 20 stocks used by each of Canada's two major exchanges to indicate the general trend of the industrial market:

Toronto	Montreal
Abitibi P. & P.	Canada Cement
Algoma Steel	Cn. Car & Foundry
Bell Telephone	Canadian Celanese
Brazilian Traction	Cockshutt Plow
B-A Oil	Consol. M. & S.
Canada Cement	Corby's A
Canada Packers B	Dominion Bridge
Can. Bank of Com.	Dom. Steel & Coal
Candn. Celanese	Dominion Textiles
CPR	Dow Brewery
Consolidated Paper	Gen. Steel Wares
Distillers-Seagrams	Howard Smith
Dominion Steel	Internat'l Nickel
Ford A	Lake of the Woods
Imperial Oil	Massey-Harris
Inter. Nickel	McColl-Frontenac
Loblaw A	Nat. Steel Car
Massey-Harris	Price Bros.
Steel Co. of Can.	Sherwin-Williams
H. Walker-G. & W.	Steel Co. of Can.

HOW THE MUTUALS STACK UP
Base: Asking Price, Dec. 15, 1952

	March 16/53	June. 15/53	Sept. 14/53	Dec. 14/53
The Indices:				
T.S.E. Industrials	101.0	94.5	95.3	97.6
M.S.E. Industrials	101.0	90.0	88.0	90.2
Dow-Jones Industrials	101.2	92.3	89.3	97.6
12 Mutual Funds	102.5	95.3	95.3	96.5
Fund:				
Balanced Mutual	100.9	94.2	94.2	94.2
Canadian Investment Fund	101.9	94.3	93.4	95.2
Canafund	104.4	95.8	96.4	96.9
Commonwealth International	101.6	94.3	94.1	95.7
Corporate Investors	103.0	96.4	98.5	99.8
Dominion Equity	104.2	99.6	101.1	101.4
Grouped Income	102.3	95.4	96.0	96.9
Investors Mutual	104.1	97.9	98.2	100.4
Leverage Fund	100.5	92.0	91.0	93.0
Mutual Income Fund	103.3	97.5	98.9	100.3
Resources of Canada	101.0	89.0	85.0	85.2
Timed Investment Fund	102.3	96.6	96.6	98.9
Accumulating Funds:				
Mutual Accumulating Fund	104.7	100.7	103.5	106.4

New Mutual Funds Offer First 'No-Load' Feature

MONTREAL (Staff) — Two newcomers entered Canadian mutual fund field this week. Public participation in them is being invited on a basis differing from that of other funds.

The additions are Supervised Income Fund and Supervised Growth Fund. They are both managed by Supervised Investment Ltd., directed by officials of Flood & Co. and H. C. Flood & Co. Ltd., of Montreal.

Main point about the newcomers is that they are the first "no-load" funds to be publicly offered in Canada. This means that the purchase price per "unit" to an investor at any given time is merely the net asset value per unit, with no commissions or other charges added.

Usual practice in the mutual fund field is that the shares are priced at the net asset value plus a commission of about 9% which the fund pays to the selling agent for marketing the shares. The "no-load" idea is based on the theory that many people hesitate to invest in mutual fund shares because of this extra expense; hence, that elimination of the expense would be a good selling point.

Operating in U. S.

The "no-load" idea has been operating to a limited extent in the United States, and one U. S. fund using it has assets of about $65 millions. In Canada, there has been at least one fund based on this principle for some years now, but the two new funds are the first to be offered publicly.

Another difference from the usual mutual fund is in the redemption provision. Established practice is that investors can redeem their holdings at any time at the next asset value. A similar set-up is provided for with these new funds except that the investor is charged a fee of 1% of the capital value of such withdrawals to cover costs.

Each of the funds is designed for a particular purpose. Supervised Income is tailored for those seeking good income commensurate with safety, plus moderate growth possibilities and liquidity. Supervised Growth, caters to investors looking for growth of capital, with fair income return and investment liquidity.

For its services, Supervised Investment Ltd. receives monthly a management fee equal to 1/360th of of 1% of the daily value of the funds.

The funds are not liable for Canadian income tax. Statements will be furnished each unit holder indicating his share of the net income for the previous calendar year, the amount of the Canadian dividends on which he is entitled to the 20% tax credit, and any amount deductible for depletion. Plans are to distribute net income as closely as possible to participants. In addition, special capital distributions will be made from time to time in respect of profits on investments.

Quarterly reports will be issued to unit holders giving a list of investments held and showing changes in net assets. Copies of the portfolios of the two funds are not presently available. This week, net asset value of Supervised Income was about $4 per unit, of Supervised Growth about $2 per unit.

Officers and directors of Supervised Investment Ltd. include: H. C. Flood, chairman; J. C. Rogers, president; E. DeYoung; L. P. Beaubien, A. D. Newell and G. T. Howard.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements. The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Financial

TIMED INVESTMENT FUND LTD. net profit of $67,875 for year ended Sept. 30, 1953, was 13.5% higher than previous fiscal year's net of $59,821.

The dePindex, company's composite index of 30 representative Canadian stocks, fell 10.4% during the year, reports President A. A. Walker. Value of company's shares declined 4.6% in the same period.

INCOME ACCOUNT

Years Ended Sept. 30:	1953	1952
Total income	$72,375	$59,821
Net profit	67,875	59,821
Less: Divds. paid	67,503	60,193
Surplus for period	372	a372
aDeficit.		
Earnings per Share*	$0.20	$0.20
Paid	0.20	0.20

*Based on average number of shares outstanding as calculated from dividends paid.

CONDENSED BALANCE SHEET

As at Sept. 30:	1953	1952
Cash	$52,005	$57,997
Accr. int. & divs.	11,935	11,854
Invests. at cost†	1,422,215	1,399,647
Organ exp.	2,000	2,500
Total assets	1,488,155	1,471,998
Accts., etc. pay.	11,256	49,666
Deferred liab.	6,935	1,169
Capital stock	338,377	325,908
Capital surplus	1,130,301	1,094,341
Earned surplus	1,286	914
†Market value	1,333,967	1,380,663

In the first two months of the current fiscal year, value of Timed Investment Fund's shares rose 4.4%. Net asset value of the fund stood at $1,439,056 at Nov. 30, 1953. Of this, $886,863 or 61.7% was held in common stocks, $151,550 or 10.5% in preferred stocks, and $389,400 or 27.1% in Government of Canada 3% debentures.

During the three months ended Nov. 30, 1953, Timed Investment Fund eliminated its holdings of one preferred and three common stocks, added one new preferred, and increased its holdings of six commons. Here are changes made between Aug. 31 and Nov. 30 in the Fund's stockholdings:

	Shares Held at Nov. 30 1953	Change Since Aug. 31 1953
Preferred Stocks:		
Shaw. W. & P. 4% A	....	—700
Sommerville Ltd. $2.80	500	+500
Common Stocks:		
Can. Iron Foundries	....	—1,000
Dominion Stores	....	—500
Gatineau Power	1,500	+500
Hudson Bay M. & S.	700	+100
Industrial Acceptance	1,300	+300
Moore Corp.	1,300	+300
Steel Co. of Canada	1,500	+300
Sullivan Cons. Mines	....	—3,000
Traders Finance A	1,300	+300

Two Ont. Cities Get Shop Centres

Shopping centres costing about $2 millions each are planned by Principal Investments Ltd. at Kitchener and St. Catharines, Ont.

Each is on a site of about 12-14 acres; each will have some 20 stores. The Kitchener centre will include a large Loblaw groceteria store, will be on the northwest outskirts of the city. The St. Catharines centre will be adjacent to a Dominion groceteria store, not part of the centre, on the Queen Elizabeth Way. Construction will start at Kitchener shortly, for completion toward the end of 1954. Construction at St. Catharines will start about May or June with completion in about 12 months.

Principal Investments has its first residential subdivision in a great many years in the tentative planning stage. It has purchased some 210 acres at Thistletown in Etobicoke Township, suburb to the west of Toronto. Subdivision plans, which include 37 acres for a shopping centre, are before local planning authorities.

522 Pass CICA Finals

Annual chartered accountancy examination results across Canada, announced this week, show that 1,565 wrote the examinations, representing a slight increase over those writing last year.

Out of 848 final candidates, 522 passed and another 134 obtained a "partial pass" standing.

Out of 717 intermediate candidates, 468 passed and will normally have a further two years of study before sitting for the final.

Gerald J. Wareham of Montreal, Que. won the 14th annual Canadian Institute of Chartered Accountants Gold Medal. The award includes $50 in cash and a trip to the CICA annual meeting at Winnipeg in August next year.

Gerald Wareham

Born in Montreal, he was educated at D'Arcy McGee High School and Sir George Williams College from where he graduated with a B.Comm degree in 1951. Prior to joining Price Waterhouse & Co., Wareham was employed for five years with Building Products Ltd.

He is 25 years of age. This is the second year in a row that Quebec has produced the candidate with the highest marks.

The CICA Silver Medalist this year is William P. Wallace, of Vancouver, B.C. Bill Wallace was born in Vancouver 26 years ago, graduated from King Edward High School and obtained his B.Comm degree at the University of British Columbia. He is at present working in the Vancouver office of Peat Marwick Mitchell & Co.

William Wallace

The Gold Medal is awarded for the highest average standing on the six final exam papers, while the Silver Medal goes to the senior candidate with the second highest marks.

The CICA Silver Medal for top marks in the intermediate examinations was awarded to Samuel A. Martin, now training with Millar, Macdonald & Co., Winnipeg. Born at Portage la Prairie, Manitoba in 1933, he attended Winnipeg schools, graduating from Lord Selkirk High School in 1949 with junior matriculation standing.

Samuel Martin

The examinations are prepared by the board of examiners-in-chief of the 10 provincial Institutes of Chartered Accountants.

Questions asked are uniform across Canada, enabling those who pass the final to practice in any province without further examinations.

Record Vehicle Output; Little Cutback Ahead

Total vehicle production in Canada this year looks as though it will hit at least 490,000 units—over 15% more than the all-time record of 433,000 produced in 1952.

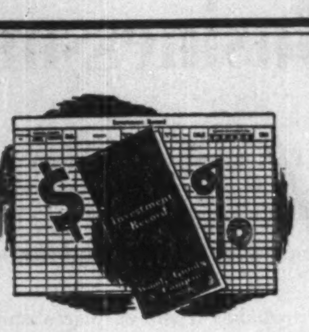
For 1954, the outlook is for little if any drop in output. Whatever drop there is would likely come in truck production.

To back up their optimism about sustaining this high production, Canadian auto manufacturers point to the fact that there is one car for every four persons in the U. S. while in Canada the figure is one for six.

They feel this gap can be closed up and in addition count on immigrants providing a new market. In the U. S., prospects are for a 5% to 10% drop in auto output in 1954.

The Canadian production had outstripped 1952 output by mid-November and since then has been gaining momentum as assembly lines pick up speed on 1954 models. Traveling fastest are lines of the big three—Chrysler, Ford and General Motors—as competition for sales grows keener.

In recent years, Chevrolet has led the sales race by a substantial margin; other makes, particularly Ford, have been gaining in sales volume but Chev still heads the pack.


Taking Stock

From time to time, most investors like to take stock—to calculate the market value of their holdings, check on the current yields their dividends represent, and compare present values with original costs.

Frequently such surveys give an early warning of hidden weaknesses in investment policy or point out valuable opportunities for the betterment of portfolios.

There is no better time to take a good look at your investments than the start of a new year. If you will send a list of your holdings to any of our offices, we shall be pleased to evaluate them as of the beginning of 1954 and to enter the values in a convenient "Investment Record" for your use. No obligation is involved.

Our organization is always available to serve you in investment matters at any time.

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'Efficiencies' Boost Canadian Car Earnings

MONTREAL (Staff) — Application of additional measures designed to improve productivity will further augment profits of Canadian Car & Foundry Co., president E. J. Cosford stated at the annual meeting. He stressed the role which operating efficiencies played in raising the company's earnings sharply in fiscal 1953.

Net profits for the year ended Sept. 30 was up 38.3% from 1951-52 at $2,219,247. The president reported that while this gain was due mainly to the exceptionally high level of business activity, economies resulting from the introduction of operational efficiencies "have contributed substantially to enhance earning power."

Mr. Cosford described the company's order backlog as "satisfactory." He also noted the sharp contraction is current indebtedness which has produced a market improvement in working capital. "Bank loans have been reduced to a figure ($1.7 millions at Sept. 30, 1953 vs. $6.5 millions a year earlier) not out of proportion in view of the high volume of dollar sales," he said.

Efficiency is Key

"Exposed to these combined technical and economic forces, stability and growth will depend on the extent to which current earnings are directed to ways and means of increasing efficiency. Your foundry division, for instance, is now undergoing a program of modernization from which, it is hoped, considerable savings will accrue. .. is our purpose to conserve our resources and maintain operations on a competitive basis."

"Under the combined demand of commercial growth and defensive preparation," the president concluded, "your company enjoys a balanced capacity to serve the country in the interests of all concerned. In the light then, of the past year's results, of prospects for the current year and the indications of long term growth, we may well view the future with a firm degree of measured optimism."

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UNION CARBIDE CHANGES IN CANADA

Effective January 1, 1954, Union Carbide Canada Limited, a Subsidary of Union Carbide and Carbon Corporation, will operate the business of all of the following Companies:

Bakelite Company (Canada), Limited
Canadian Railroad Service Company, Limited
Carbide and Carbon Chemicals, Limited
Dominion Oxygen Company, Limited
Electro Metallurgical Company of Canada, Limited
National Carbon Limited

These Companies are Units of Union Carbide and Carbon Corporation. In the future their respective businesses will be carried on by Divisions of Union Carbide Canada Limited under the following Division names:

Bakelite Company
Canadian Railroad Service Company
Carbide Chemicals Sales Company
Dominion Oxygen Company
Electro Metallurgical Company
National Carbon Company

Mr. Ewart Greig, formerly Vice-President of National Carbon Limited, is the President and director of Union Carbide Canada Limited. Other directors are: Honourable Salter A. Hayden, Q.C., of McCarthy and McCarthy; and Messrs. H. S. Bunn, S. B. Kirk, and W. E. Remmers, Vice-Presidents; and Mr. K. H. Hannan, Secretary and Treasurer of Union Carbide and Carbon Corporation.

NATIONAL CARBON COMPANY makes available to industry large carbon and graphite electrodes used in the manufacture of ferro-alloys, alloy steels, and certain abrasive products; carbon brushes for electrical motors and generators; projector carbons for the motion picture industry; and special products of graphite and carbon. This company markets EVEREADY products including flashlights and batteries, radio and hearing aid batteries and PRESTONE anti-freezes.

DOMINION OXYGEN COMPANY separates atmospheric gases including oxygen, nitrogen and argon for industrial uses, and distributes carbide, acetylene and equipment for the cutting, shaping, treating, and welding of metals. This Company also sells oxygen for medical uses, and rare gases for special lighting purposes. CANADIAN RAILROAD SERVICE COMPANY sells these products to the railroads in Canada.

ELECTRO METALLURGICAL COMPANY produces ferro-alloys and alloying metals used in the manufacture of steel and iron to remove impurities and also to give them certain desirable qualities such as strength and toughness.

BAKELITE COMPANY manufactures and sells phenolic plastics, including raw materials used by fabricators, such as phenolic laminated sheet, rods and tubes. This Company also sells polyethylene and polystyrene plastics, and a line of synthetic resins for coatings.

CARBIDE CHEMICALS SALES COMPANY distributes in Canada many basic chemical products for important industries such as aircraft, automotive, chemical, metal, paper, pharmaceutical, plastic and textile.

How Business Leaders See The Outlook

(Continued from page 3)

opinion this will all be for the good.

I do not believe that the insurance business will show any appreciable increase. The struggle on our part and the part of everyone in Canada should turn to fire prevention and accident prevention, so that the terrible fire loss, which is a total waste, should be brought under control; but principally accident prevention in the automobile field should have our first consideration. The death toll in Canada each year is growing. We are sorry for our dead and wounded on the Korean battle front and other aspects of our armed services, but they are small compared to the death toll taken by the automobiles on our highways, and yet the public seem to accept it.

Governments should tighten their licensing administration, their penalties against reckless driving, and as I have mentioned before "licensed to drive an automobile" should be restricted to more mature people than 16 to 17-year-old drivers.

Canada has a great future before it but 1954 should be a year of retrenchment when we should take stock of ourselves and make sound plans for the future.

* * *

John J. F. Bancroft

Vice-President and Managing Director, Jenkins Bros. Ltd.

In endeavoring to appraise the outlook, it is perhaps more difficult this year than it has been for a long time. During the last war a tremendous backlog of unfilled wants was built up that has seemed to carry forward from crest to crest in the intervening years. The year 1953 has seen many of these demands filled, and now we are hearing more of surpluses and excess inventories with supply exceeding demand in some lines.

If one is influenced by forecasts of politicians, economists, businessmen and others in the United States, where the consensus seems to be that there will be a falling off in business next year, then the uncertainty deepens. Moreover we cannot overlook the fact that, if they repeat their gloomy forecasts loud enough and often enough, they may well talk themselves into a recession, and we know from past experience the effect this can have on the Canadian economy.

Then too, if we are to enjoy a continuing buoyant economy, Canada must look to other world markets to absorb a fair proportion of her products. Here again there are many uncertainties and, until more of the quotas, exchange controls and other restrictions are removed, we cannot feel too confident about the future of our international trade.

The outlook at home is good—the demand for our primary products from mines, forests and farms remains high; the construction industry seems all set for another big year; our manufacturing industries are geared to supply needs which should increase rather than diminish; retail sales set new records each year, which is what one would expect with more money in the hands of the consumer—whichever way we look there seems no reason for pessimism.

Given some measure of stability on the international front and with sound fiscal policies, a wise and progressive immigration program and intelligent labor-management relations at home, I see no reason why the year 1954 should not be another one of progress for our beloved Canada.

* * *

A. F. Baillie

President, Dominion Oilcloth & Linoleum Ltd.

The year 1953 was a successful one for the linoleum industry in Canada. The vigorous activity shown by the industry's sales from the spring of 1952 to the end of that year was maintained until the middle of 1953. Although not reaching the same record level in the latter half of the year, sales for 1953 continued to be high.

At the time of writing, the building trades show the highest level on record. With the Prime Minister's announcement that the government has in mind extensive changes in housing legislation—providing an increase in the supply of private mortgage credit and making possible lending from chartered banks on the security of mortage for newly built homes—1954 could be even better.

Export sales, while still relatively unimportant, showed a marked increase over a year ago. Development in this field is a most difficult problem, since competition is so keen from foreign countries where labor rates are much lower than those prevailing in Canada. Then again, sales continue to be limited by lack of Canadian funds and various import restrictions.

Imports continue on the upward trend and show a substantial increase from the United States and, to a lesser extent, from the United Kingdom. As is the case with the textile and many other industries, the inadequacy of the dumping duties in respect of certain importations has created a serious problem. It is to be hoped therefore that the amendment to the Customs Act effective Dec. 8, 1953 will help in some measure to protect the industry against such unfair competition. At the same time, it is felt that the amendment is inadequate and should be so strengthened to ensure that in no case should the value for duty purposes be less than the actual cost of production, plus reasonable additions for administration, selling cost and profit.

There has been little relief in manufacturing costs. Raw materials in general were in plentiful supply and in some cases showed a decrease in price from 1952, enabling some reduction to be made in selling price, but the effect on the profits of the industry is offset by excessive freight rates, the continued high cost of labor and general overhead, as well as the relatively unchanged corporation tax situation.

In the coming year, any cut in defense spending will probably be of a minor nature, and in any event this spending has ceased to be the main dynamic force of economic growth. The discovery and development of new natural resources in Canada, our growing population, good crops, great industrial development and the rise in consumer spending, are the main factors contributing to our country's phenomenal expansion. All this, affecting Canada as a whole, should undoubtedly find an echo in the linoleum industry and, combined with the aforementioned promise of increased government mortgage aid and any increase in housing construction, result in a still greater demand for products of the industry in the year 1954.

* * *

R. C. Berkinshaw

President and General Manager, Goodyear Tire & Rubber.

The sales outlook would seem to indicate a good average year. Unit sales on passenger tires may be slightly lower, due to the fact that they were unusually high in 1953. Total sales of truck tires will probably increase.

The trend toward more efficient production methods in industry and continued development of natural resources indicate that sales of industrial rubber products will remain at a high level.

The outlook is good for special products such as foam rubber, chemicals and packaging material. A "soft spot" in the rubber industry may develop in the footwear division due to importations from countries with lower costs of production.

Labor costs will remain the prime factor in the price trend. Any reduction in sales and excise taxes would be a welcome relief and have a beneficial effect on the sales of rubber products.

Employment in the industry will, of course, follow sales, but I expect will remain relatively constant. The credit situation will be considerably tighter.

The innate growth factors in the Canadian economy based on an increase in the population, higher productivity and utilization of natural resources will provide a strong stimulus in the expansion of the market for rubber products.

Judging from the most commonly used yardsticks by which the country's prosperity may be judged—wages, savings, capital investments, gross national product and employment — all indicate a favorable outlook for 1954.

Developments running contrary to the trend are the reduction in export trade, increased imports, the possibility of a readjustment in the economy of the United States, substantial carry-over of grains in the West and the fact that many strategic materials are more plentiful than they were a year ago.

A summary of the favorable and unfavorable conditions indicates that there will be a more intensive domestic and foreign competition for the purchaser's dollar. The year ahead will be a period of consolidation of economic gains and a testing time of business strength when selling rather that production will be the ruling factor in our economy.

The consumer has the means and is willing to buy, but he must be wooed. This is a natural and healthy business climate in which to operate. The return of the buyer's market should be welcomed by all businessmen. When the customer can state his preference and can enforce it with his dollar, our economy is strong and our progress sound.

* * *

W. J. Borrie

President, Canadian Chamber of Commerce.

Economic activity in 1954 should be at a reasonably high general level, despite the fact that there may be some regional difficulties and some soft spots in the economy. Generally speaking, however, there is every indication that resources development will continue to expand, that international trade will continue at a fairly high level.

It might be well to point out though, that just as we had a period of readjustment in 1950, following the outbreak of the Korean war, we have at hand another period of readjustment at this time of a slight easing of international tensions. Therefore it may well be that the major task for 1954 will be the consolidation of real gains made during the postwar period, prior to a further upward climb from this plateau.

What many people do not realize is that current expansion in Canada has not been due to increasing government expenditures on defense, it has been due to an upsurge in the civilian sectors of the economy. Actually, we should be gearing our thinking to the great opportunities afforded businessmen if international tensions are at long last somewhat eased. For this is the opportunity to show what the free enterprise system can achieve with intensive intelligent salesmanship at all levels to round out production and distribution. There are many desirable national projects and alternative civilian demands in Canada which will be quite ample to absorb any economic adjustments that may be necessary.

* * *

L. Clegg

President, Crane Ltd.

Plumbing and heating manufacturers, wholesalers and contractors may look forward to 1954 optimistically. While it is difficult to forecast with confidence beyond the first six months, the outlook for the first half of 1954 in residential construction will compare closely with the record high volume of starts experienced in the same period 1953.

It is expected that the impending legislation visualizing lower down payments and greater availability of mortgage funds through enlistment of the chartered banks in this field will assist residential building. Assuming this phase of financing becomes effective about mid-year, the result should support at least an equal volume of house building in the last six months.

Commercial, institutional and industrial construction it is estimated will be about as good as 1953. New industrial construction may show a lower rate of initiations of large projects. It is expected that there will be considerably more modernization work done next year than was done in 1953, and some contractors will turn their attention to this type of work if residential building decreases.

A satisfactory level of employment is assured, but it is evident that some industries will suffer due to importations of foreign goods at lower than Canadian cost prices, even after prevailing customs duties have been added to these imported materials.

Costs will rise slightly due to increased transportation costs and wage rates. As against this, some primary metals will show a reduction. Selling prices will, generally, remain at the 1953 level with some items reflecting slight increases, and some items slight decreases.

Shortages of material are not anticipated next year.

The plumbing and heating trade must be prepared to face even keener competition for its proper share of the consumer's dollar against the many luxury items for sale today, and the situation will call for all the ingenuity which the plumbing and heating industry can mobilize to create an equally compelling desire for its own products and services.

* * *

N. R. Crawford

President, Dow Chemical of Canada, Ltd.

Since the mid-summer wave of pessimism that might have led Canada and the United States into a serious depression in 1954 seems to have passed over, it is more than likely that the new year will, on balance, be a good one — but probably not one of the boom years. Consolidation could well be the keynote in most operations instead of further substantial expansion. In the chemical industry this will undoubtedly be the case.

Venture capital will always be available for developing Canada's chemical resources when conditions assure a reasonable return. Right now many of them do not.

For example, the existence of a one-way road from the United States into Canada for free entry, and in many cases "dumping," of chemical items made in Canada is detrimental. We must have equal use of that road, either by removing the toll gate at the other

(Continued on page 7)

If you had a business problem facing you which could involve a great loss, would you ask the advice of a friend or a business counsellor? Naturally, you would ask the expert. Then, what about your will? Improperly administered, it could mean a great loss to your family. We are glad to act as sole Executor, or in conjunction with one or more other Executors you might appoint.

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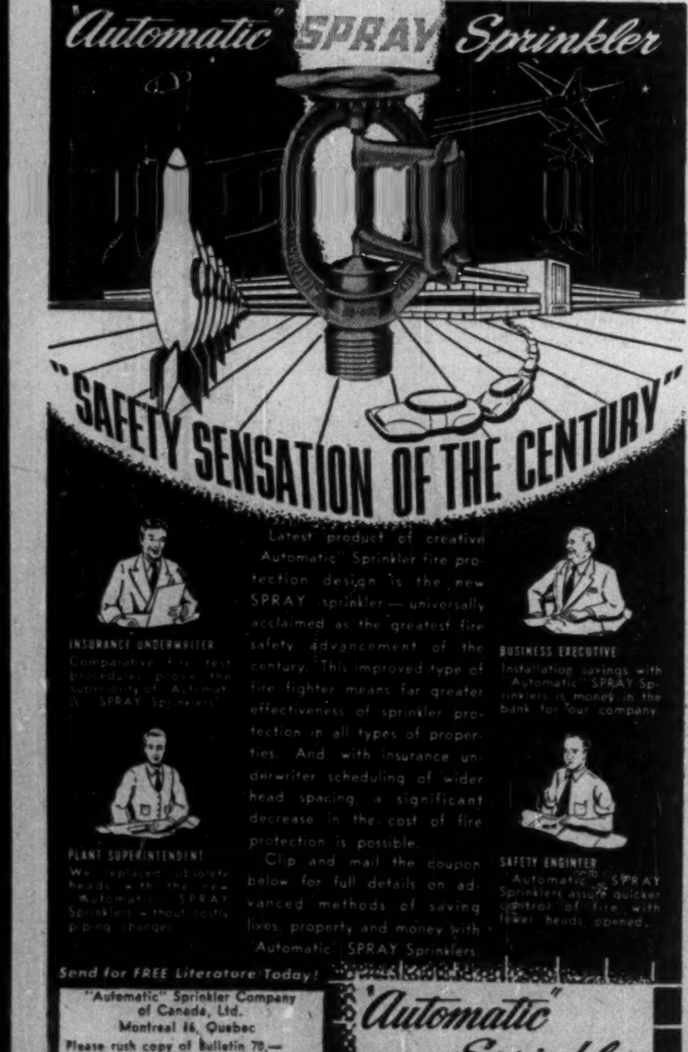

GOVERNMENT AND MUNICIPAL BONDS

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STEAM power for "THE LIGHT"

Sao Paulo to have largest boilers

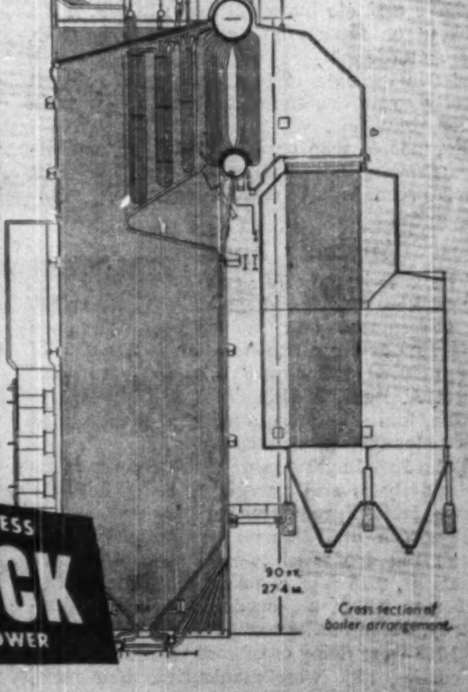
Sao Paulo Light and Power Company Limited is an operating subsidiary of the Canadian Corporation, Brazilian Traction, Light and Power Company Limited, known to Brazilians simply as "The Light". "The Light" supplies electric energy to the cities of Rio de Janeiro, Sao Paulo and Santos, as well as for electric railways and much of Brazilian industry, including the great Volta Redonda steel mill with its planned annual production of one million ingot tons.

In order to help satisfy the increasing demand on its hydro-electric system, "The Light" has ordered a new 160,000 kW. thermal plant which will be located on the outskirts of Sao Paulo.

This will be equipped with the largest boilers in South America, two BABCOCK & WILCOX units, which are being manufactured by Babcock-Wilcox and Goldie-McCulloch Limited of Canada.

Each of these huge oil-fired boilers will supply 850,000 lb. of steam per hour, at a pressure of 850 pounds per square inch and a temperature of 925°F., to a turbine driving an 80,000 kW. hydrogen-cooled generator.

Design and procurement for this important plant are by Stone & Webster Engineering Corporation of Boston, Massachusetts, and construction and all activities in Brazil are being conducted by Stone & Webster Construction Company. Babcock & Wilcox (Caldeiras) S.A. Rio de Janeiro, will erect the boilers.



Cross section of boiler arrangement

STEAM FOR PROCESS BABCOCK STEAM FOR POWER

BABCOCK-WILCOX AND GOLDIE-McCULLOCH LIMITED, GALT, ONTARIO — MONTREAL - TORONTO - CALGARY - VANCOUVER

The Editorial Page

Which Town Will Be Next?

Deep down in the southwestern Ontario wedge is Sarnia, Queen of Canada's Chemical Valley.

How Sarnia reached its glory in the chemical field in Canada makes an interesting story. It's been a chain-reaction depending on the oil industry, claims "Heartland," the magazine devoted to Canadian-U.S. interests.

In Sarnia's saga there is something for every town in Canada which is now trying to build up industry. There's a chain-reaction which will bring more growth in store for many of them.

Sarnia was a lumber town. But in 1851, oil was discovered at nearby Oil Springs, and an oil industry developed at Petrolia. For a time, oil was exported to the U.S. through Sarnia, then the path reversed, and it entered Canada through Sarnia. In 1897, Imperial moved its refinery from Petrolia to Sarnia, to get direct water shipping. Imperial's plant grew. During World War II, synthetic rubber was needed, and the Government established Polymer.

This is how "Heartland" describes the snow-balling growth which has taken place since:

"As Polymer came to Sarnia primarily because Imperial Oil could supply the bulk of petroleum feedstocks of hydrocarbon gases needed to make synthetic rubber, so Dow Chemical of Canada chose a site just south of Polymer's after the war because Polymer could supply styrene and ethylene needed in its manufacture of plastics and chemicals. Cabot Carbon of Canada, Inc., opened Canada's first carbon black plant last June across the street from Polymer because Polymer's rubber products afford an outlet for Cabot's carbon black, used in tires.

"Polymer has its own power plant and ships in about 500,000 tons of coal for the year's operations. Polymer supplies steam to Cabot Carbon and Fiberglass Canada Ltd., which makes fiber glass insulation, and even sells electric power to the Ontario Hydro Electric Power Commission. Polymer has just completed a new research laboratory and expects to increase the diversification of its synthetic rubber and latex products. Polymer officials believe this will attract additional industries to Sarnia."

Chemicals, with their myriad of end-products, present the prospects of wide interlocking diversification. But in looking at Sarnia's story, any prophet of the future has to ask, "Which town will be next?" The prospects of Edmonton as a chemical centre are just beginning.

But it doesn't stop at chemicals. What, for instance, will be the chain-reaction effect of the all-Canada natural gas pipeline? What industries will it attract? What great towns of tomorrow will grow up along its route?

What will be the effect of the St. Lawrence Seaway? How is it going to change the nature of towns all along the waterway?

In all of these calculations, it's not just the first industry that counts, but the prospects, as in the Sarnia case, of a hardly undreamed of chain-reaction.

Hard Lessons for Mr. Nixon

After a trip around the world U.S. Vice-President Nixon seems to have come back to Washington with some hard lessons learned. Responsibility and leadership in world affairs, he finds, is both an expensive and thankless role, but once undertaken it cannot be dropped without some other major power taking over. And today, of course, there is only one other power eager and strong enough to take over. America has a destiny it cannot escape.

Nixon is convinced that the United States will have to play a larger part in the Far East, will have to be prepared to spend more money, and send more aid and possibly troops to those democracies which have been resisting communism in that area. He is highly critical of U.S. foreign policies and patchwork planning since the war.

The U.S. Vice-President, it is hoped, will receive a more favorable hearing at Washington than some of those outsiders who have been just as critical but a little more diplomatic in airing their views. Like Britain in the 19th and early 20th century the United States is beginning to realize the responsibilities thrust upon it are never easy and often unpopular.

Rough Sort of Diplomacy

It is to hoped that the manner of settlement of TCA's application for air service from Florida to Mexico will not be used as a pattern in the handling of any further disputes that may arise in our dealings with the United States. True, this was ended in our favor, as in all fairness it must have been. But we were driven into some pretty rough style diplomacy to win. Not until U.S. lines operating in Canada were directly threatened with retaliation did the Americans back down on their efforts to choke off competition.

Threats of retaliation should not be necessary with two nations so close as Canada and the United States. It's poor advertising for neighbors that are so fond of telling the world—and themselves—how well they get along.

A Canadian company operating in the United States or an American company operating in Canada should be as certain of fair treatment as any domestic concern. It shouldn't be necessary for the Government to have to use force or the threat of force against the other country's nationals. In this case, the Americans asked for it.

Keep 'Em Guessing

From the annual convention of the Manitoba Farmers Union comes a brand new tip in the art of selling grain. "Keep the buyers guessing," is the theme.

As a start the convention has asked the Federal Government to stop the newspapers from publishing crop estimates. "It's detrimental to sales of our export grain," the MFR delegates argue.

Why stop there?

Why not prohibit all crop forecasts and reporting by the Government or anyone else. And grain statistics, too, must be abolished, and farmers learn to turn the conversation when a visitor asks how his wheat is doing.

Better still, let's camouflage every grain elevator, destroy all records and only permit farmers to plant their fields when the nights are dark. Don't let any customers know that we have a single bushel of grain to sell, put a blackout on reports of weather, grasshoppers, rust and drought. If after this, buyers still persist in taking a carload or two, let's ship it secretly so no one can figure how much grain we may have left.

For people who once labeled open marketing a gamble, these radically minded Manitoba farmers seem to have come a long way.

Anybody Snoozing?

The girls in the office aren't doing so badly.

Despite the great demands for paperwork for government and management, "we are using 15% fewer office man-hours per unit of manufactured output now than 25 years ago," Robert A. Read, a director of J. D. Woods & Gordon, told a Toronto meeting of the National Office Management Association.

Yet a 25% improvement in the average office productivity is still needed to bring it up to average factory productivity, he says.

How can inefficiencies be spotted? Read doesn't put too much weight into subjective valuations. He says a glance out at the office staff may show all heads bent over industriously, but in reality maybe "60% were working, 10% were doing crossword puzzles or reading comics, 15% were manicuring their nails, 15% were asleep, day-dreaming or doing other such exhausting work."

Therefore, he favors time-studies, as in factory work. He would break down office operations, find out how much time is needed, and let the allocation of staff be in accordance with these figures.

Introducing a stopwatch into office operations will cause a lot of chatter at the coffee break. But in this paper age, office productivity can be as important as factory work. And if time study, used with tact and discretion, takes inefficiencies and kinks out of office routine, and makes the total task easier, why shouldn't it be welcomed?

We Had Little Choice

Until next fall, Canada has agreed to restrict the export of oats to the United States. With large stocks of grain on hand this decision will certainly not ease our market problems. But under the circumstances we had little choice.

We did the same thing with potatoes a few years ago and for exactly the same reasons. We may have to do it with other things until the U.S. Government rids itself of the huge and costly farm surpluses which have resulted from its policy of fantastically high floor prices.

In quite a number of our farm exports to the United States, Canadian producers have been sharing in this bonanza. While much United States farm produce was going into government storage at fancy prices, ours, selling at just a fraction below, went into U.S. consumption. That sort of crazy business could not continue indefinitely. Either we would have to refrain voluntarily from shipping our stuff to the United States or Washington would shove up the bars.

If Uncle Sam wanted to pay his own farmers fantastic prices that was his own business. But we could hardly expect him to extend such generosity to outsiders, at least for long.

In this restriction on oat exports we have one more example of the grief that follows when the state takes over farm marketing. In Canada, because our own government is in this business too, we can hardly complain if some of the troubles spill over the border.

Where Uncle Tom Lies Buried

There were some piercing jabs to Canadian pride the other day, when the ugly story of Dresden, Ontario, was emphasized again.

Negroes in that small Ontario town, where their ancestors from the U.S. came to live as free men, have been victims of serious racial discrimination.

They are barred from restaurants, barber shops, pool rooms and beauty parlors. A delegation of residents appeared before the provincial liquor licensing board to complain that some hotels in the area refused to serve Negroes.

Events in Dresden and memories of the wartime treatment of Canadian Japanese are no cause for pride. They are evidences that we have no major color problem in this country, solely because we have so few colored people.

Anti-discrimination laws may help to stop it. But no law can tell a man how to think. In fact, no law can make a man think. If it could, in a world where two-thirds of the people are colored, discrimination of the Dresden sort would be impossible.

Another Link Broken

The great potlatch which was held by the Kwakiutl Indians in Victoria last week was declared by experts in Indian ethnology to be almost certainly the last great event of the kind that will ever be staged in British Columbia. The reason assigned for this depressing prediction is that the old chiefs are dying off and the younger ones have not the same interest in preserving the tribal traditions and glories.

This is regrettable. The potlatch is one of the finest and most aristocratic traditions of any aboriginal race. But the conditions which produced it have died out, and there is no more place for it in the Kwakiutl society of today than there is for the formal dinner (in a private house) which used to be the apex of hospitality in Canadian homes before domestic service became an unattainable luxury.

Perhaps the anthropologists, who took all sorts of records of the Victoria potlatch for the benefit of posterity might see whether they can find a surviving example or two of the kind of dinner-party which 60 years ago brightened the social life of Montreal and Toronto, and make a few recordings of the conversation, the menu and the wines. Posterity may be just as interested in the extinct habits of its white ancestors as in those of the Indians whom they are "civilizing."

The potlatch will not be a whit more extinct ten years from now than the dinner-party; and the dinner-party was quite an interesting social custom in the days when the late Goldwin Smith was entertaining the intellectuals of the world in his home, The Grange (now the Toronto Art Gallery) with his brilliant wit and his conviction that Canada's destiny lay in annexation by the United States.

Napier Moore's Scratch Pad

SIR CEDRIC HARDWICKE, the well-known actor, was in Toronto the other day to appear on a television broadcast. He told us that odd things happen in connection with commercially sponsored radio and television programs in the U. S. For instance, one sponsor insisted on changing the name of a play which was to be presented on its program. The play was Kipling's "The Light that Failed." And the sponsor was a nationally known manufacturer of electric light bulbs.

* * *

THE WESTCOTT CHERRYS, of Toronto, added a novel note to their Yuletide greeting by having all their Christmas cards mailed from a town in Indiana. On every envelope there was a clearly stamped postmark — "Santa Claus, Ind."

Overwhelmed by curiosity we phoned to find out how on earth the Cherrys ever came to think of this idea. Last autumn they went down to French Lick, Indiana, intending to stay. But things were pretty quiet there, a lot of places closed and so forth, so they proceeded to drive along the St. Louis-Louisville turnpike. Some 10 miles north of the Kentucky border they passed through Santa Claus, population 250. And then the idea struck them.

Mrs. Cherry couldn't tell us how long the place has been called Santa Claus, or why it was named Santa Claus, and we haven't had time to track things down.

* * *

FROM A CANADIAN GUEST at the Columbus Hotel, in Miami, Fla., we have received a copy of a notice placed under the glass top of the bed-table in her room. It reads:

REMEMBER —

If you plan to smoke in bed:

Inform the Desk where to send your remains. Leave a list of your nearest relatives at the Desk. Leave your Last Will and Testament with the Clerk.

Check your insurance policy, making sure the premium is paid.

Inform the guests on each side of you of your intentions to endanger their lives.

Advise others on your floor to check for nearest fire escape or exit.

Have a fire extinguisher near at hand.

Call the local fire department and ask them to stand by for a fire call from your hotel.

Fire Prevention Bureau,
Miami, Florida.

The same correspondent enclosed a clipping from a Miami newspaper which reports a rumor that a Palm Beach tycoon is bringing in, not a solid gold Cadillac, but a luxury car lined with mink.

* * *

A NOTE OF SPECIAL SIGNIFICANCE for the holiday season is struck in the Poet's Cornered column of The Windsor Star. It's an epitaph:

Here lies the body
Of Mary Anne Lowder,
She burst while drinking
A seidlitz powder.
Called from this world
To her heavenly rest,
She should have waited
Till it effervesced.

A little more gentil', perhaps, is an epitaph on a stone in an English country churchyard, of which we heard some time ago:

To the dear memory of Louisa
Parker.
She painted in water colours,
Played upon the harp,
And was an intimate friend of
The Duchess of Bridgewater.
Of such is the Kingdom of God.

* * *

BROWSING THROUGH the annual report of Victoria University, in an account of the Regent's dinner in honor of Professor Emeritus E. J. Pratt, we came across one of 1953's best epigrams. Uttered by L. W. Brockington, who toasted Dr. Pratt, it was "Impromptu speeches aren't worth the paper they are written on."

* * *

EVEN THOUGH we now have to make a wild dash to catch a plane, there is nothing impromptu about the sentence which comprises our next paragraph. It has been most carefully prepared, and there's a lot of thought behind it.

A HAPPY CHRISTMAS TO YOU.

Stop Me If

"Now frankly," the surgeon warned, "I must inform you that this is a very serious operation. Four out of five patients die under it. Is there anything I can do for you before I begin?"

"Yes," said the patient, "help me on with my shoes and pants."

* * *

A burglar, who had entered a poor minister's house at midnight, was disturbed by the awakening of the occupant of the room he was in. Drawing his weapon, he said:

"If you stir, you are a dead man. I'm hunting for your money."

"Let me get up and strike a light," said the minister, "and I'll hunt with you."

* * *

A dour Scot who was a believer in the economy of words was sent to darkest Africa in charge of a party of oil prospectors.

Several weeks later the head office received a cable from him which read: "Send six men to replace those eaten by lions yesterday."

In great alarm head office sent back a cable requesting full details of the accident.

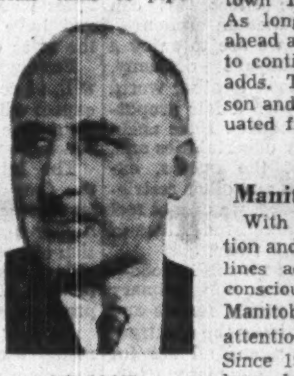
Back came the Scot's reply: "No accident. Lions did it on purpose."

Post Scripts

Pipeline Builder

Sidney Martin Blair, new head of Canadian operations of one of the largest pipeline engineering firms in the world, represents a reverse pattern in the usual flow of top Canadian talent in this field. The tall, rugged recently-elected president of Canadian Bechtel Corp. is a Canadian who has come back home after being well-launched on the road to success in foreign lands.

When "Sid" Blair talks of pipelines, chemical plants or Canada, his very enthusiasm is evidence enough of his happiness to be back and to be playing a part in the tremendous development program that is fast changing the industrial face of this country. Few men are better able to sense the magnitude of what is taking place and to forecast the next most likely expansion steps for industry.



MR. BLAIR

Blair and his firm have played major roles in planning and building both of Canada's big-inch oil pipelines, some of the most modern oil refineries in the country and petrochemical plants in Sarnia's Chemical Valley. They are almost certain to have important roles in Canada's next big pipeline project—construction of the longest natural gas pipeline in the world—from Alberta producing fields to Ontario and Quebec.

On the highly controversial subject of gas markets and pipeline routes Blair has this to say: "The gigantic problem of developing Canada's natural gas to give both a suitable field and market price is certainly going to take the maximum amount of ingenuity and co-operation, but with both we believe it can be done."

The affable, quiet-spoken Blair is a good example of a promising young petroleum engineer who had to leave Canada for lack of opportunity in his own country. But once Leduc and Redwater fields were discovered in Alberta it was almost inevitable that he would be back to fit into the big development job somewhere.

Born in Parry Sound but raised in the West, Blair got his early education in Edmonton. Then as a young man in the early 1920's he went to Birmingham, Eng., to take the first petroleum engineering course to be offered in the British Empire. This was followed by a Masters degree at University of Alberta and some four years of research work—much of it done on the Alberta oil sands—with the Alberta Research Council. Then in 1927 he went into oil work abroad for 22 years moving in a triangle bounded by London, New York and Trinidad. During World War II he served as a director of oil refining developments for the British Government.

In 1949 Blair returned to Canada to launch Canadian Bechtel Ltd. Toronto offices were opened and big things soon began to happen. Chief projects included the Edmonton to Regina section of the Interprovincial Oil pipeline and this year engineering and management of the 645-mile extension from Superior, Wisc., to Sarnia; engineering and management of the 718-mile Edmonton-to-Vancouver Trans Mountain oil pipeline, of which he is a director. Other construction jobs included refineries and chemical plants at Vancouver, Sarnia and Montreal.

Many Canadians first heard of Blair through his now famous "report on the Alberta Bituminous Sands" which was issued by the Alberta Government early in 1951. The report has given rise to some promising development work on the sands since that time.

Sid Blair is a very busy man. Besides keeping close tab on his firm's Canada-wide construction jobs he must anticipate the trends in petroleum production and marketing, keep ahead of the fast-stepping chemical industry. He must have a good idea of where the next expansion jobs are going to take place and be able to size up quickly the basic construction and design problems involved.

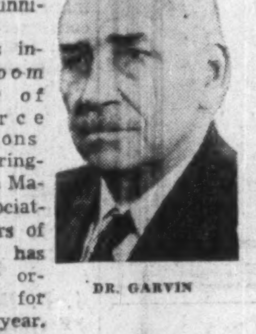
His hobby—and Blair smiles when he says this—is a 200-acre stock farm, 30 miles from Toronto near Bolton, from whence he drives into his downtown Toronto office every morning. As long as Canada keeps stepping ahead at her present pace it will have to continue to be just a hobby, Blair adds. The Blair family consists of a son and daughter, both recently graduated from university.

* * *

Manitoba's Industrial Boom

With advance in farm electrification and spread of power transmission lines across the province, industry conscious towns and villages in rural Manitoba have been paying more attention to industrial development. Since 1944 about 400 new industries have located in the province, about one fifth of them in small centres outside Greater Winnipeg.

With this industrial boom Chamber of Commerce organizations have been springing up. The Manitoba Associated Chambers of Commerce has 88 member organizations for its 1953-54 year. Its new president Dr. Fred George Garvin takes over in a year of record high membership, nearly three times that of 1947.



DR. GARVIN

Dr. Garvin, a dentist, lives and practices in Portage la Prairie where he located professionally for a number of reasons, one that he was attracted by its record for having produced more prominent men of public life than any other city of comparable size in the west

Living in Portage according to Dr. Garvin, it isn't possible to keep out of its community activities one of which is its Chamber of Commerce. Dr. Garvin was its president in 1949 and ever since has been a member of the executive of the Associated Chambers of Manitoba.

His father Robert Garvin was a farmer and blacksmith in Saskatchewan and was first mayor of Melville in 1909. Dr. Garvin was born in Saltcoats and after a qualifying course at Wesley College, now United College in Winnipeg, he graduated in dentistry in 1915 at the University of Toronto. Immediately after he enlisted in the Royal Canadian Dental Corps. Discharged after two and a half years overseas service he set up a dental practice in Canora, Saskatchewan.

He moved to Portage la Prairie in 1943. In Canora he was chairman of the school board for 12 years. Always attracted by tasks of public service, once he was induced to accept a Conservative nomination in a political contest which he says he did because Conservatives were a rarity in Saskatchewan and he thought he might help the party cause.

The Conservative vote in his constituency plus what he got because of personal popularity wasn't enough to elect him and he hasn't had many aspirations for public life since.

Dr. Garvin is married and has a grown up son and daughter.

What Others Are Saying

Editorial of the Week

All's Well That Ends Well

Montreal Gazette

It is a good thing when good neighbors can settle their differences. It is only unfortunate when such differences are allowed to arise. But in this, as in other matters, all's well that ends well.

Agreement has been reached between Canadian and U. S. authorities over a new air flight to be made by a Canadian line in the United States. The trouble arose about seven weeks ago. The Trans-Canada Airlines had made its preparations for a flight that would take Canadians from Montreal and Toronto to Mexico City, with a stop at Tampa, Florida.

The importance that Mexico itself placed in this service was shown by the hearty official welcome that the Canadian visitors received.

If any serious objection—certainly if any prohibition was to be raised, there was ample time for the American authorities to raise it. But it was only just before the scheduled service was to begin that the American authorities announced that the service would be forbidden.

It is hard to believe that the difficulty did not arise by concentrating upon the letter, rather than by interpreting the spirit.

The incident may have its usefulness in international relations. It demonstrates very impressively the lack of wisdom shown by neighbors when they resort to "unexpectedly strict and literal interpretations." In neighborly relations, as in so many other things, it is the letter that killeth and the spirit that giveth life.

Other People's Views

THE REAL BASIS of Senate reform, says the **Winnipeg Tribune**, "should be to divorce the Senate from politics as much as possible and to fill vacancies with Canadians of ability and experience, regardless of political affiliations."

THERE WOULD BE MANY PROBLEMS involved in allowing American tourists to purchase tax free goods in Canada, declares the **Saint John Telegraph Journal**. "But the idea nevertheless should be worth considering from all angles if it gives promise of stimulating Canada's trade substantially."

THE FLAG QUESTION cannot be settled satisfactorily in a hurry, thinks the **Ottawa Journal**. "Only time, patience, and understanding can resolve a sentimental issue of this sort—a plebiscite could make things worse by implying the coercion of an unwilling minority. We have, as a nation, plenty of time to let events, and public opinion, take their course."

IT MAY NOT BE HARMFUL if the buyer is allowed to go to bat, says the **Farmer's Advocate of London, Ont.** in commenting on the year ahead. "Sellers have had their innings and during that time the tendencies and trends have been inflationary. So long as a sellers' market exists costs will increase, because the natural restraining forces are not at work. If more goods are available at reasonable and fair prices, the standard of living will be up, not down, and the general welfare of the people will remain at high level."

THE BEST KIND OF SNOW, in the experienced opinion of the **Ottawa Citizen**, is that which falls during the night, in time to give the skies a chance to clear by daybreak. "Dawn coming late these days, most folk see it, and there are perhaps few sights more conducive to starting breakfast in the right mood than the sparkle of sunlight on newly fallen snow. The snow itself, of course, should be soft and composed of large flakes. The hard, small, windblown stuff that fell recently was no good at all, except to make the going greasy underfoot, and what's the good of that? But large soft crystals, and no wind (as evidenced by the smoke curling straight up from the chimneys (give a sort of deep-looking, warm carpet, bright and clean."

The Financial Post

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How Businessmen See The Outlook For 1954

(Continued from page 5)

end, or preferably, by erecting one at this end.

Another condition that must be corrected is the lack of world currency convertibility. The home market is not yet large enough to absorb the output of commercial size plants for the production of many bulk chemical items which Canada does and could produce, so the balance must be exported — and paid for in a currency we can use.

* * *

E. J. Cosford

President and Managing Director, Canadian Car & Foundry Co.

In general the outlook in the railway equipment field for 1954 is good. The year past has been most active, with the modernization and expansion program of rolling stock by the railways continuing in good volume. Current orders for this program will occupy the facilities of Canadian builders into the second half of 1954. The modernization program during the coming year will see delivery of a substantial number of passenger cars, together with freight car equipment and diesel electric locomotives.

The growing traffic needs of an expanding Canada create a continual demand for improvement of design in passenger and freight equipment, and increased inventories of rolling stock of every description. The railways' requirements offered a challenge to the principal car builders in Canada, whose technology, workmanship and efficiency were measured by the prevailing standards of car builders of the continent.

It is a tribute to the Canadian segment of the industry that the manufacturers and suppliers have been successful in obtaining the volume orders which are presently in process of fabrication in shop, foundry and assembly plants within our nation. The trade is fully conscious of the necessity of rigorously maintaining the high level of product excellence which has been the hallmark of Canadian rolling stock from the time of its inception.

The dieselization of motive power proceeded in accordance with the long term plan which both the railways had previously inaugurated and the output of locomotive manufacturers, foundries, machine shops and suppliers grouped together under this program is sustaining at a good level.

Defense orders have played their part in adding to the overall activity of the industry and the joint contribution to the defense requirements is important.

During the year material shortages existed to some degree but in the main were overcome without serious impact upon the productivity of the major plants so engaged.

A closer balance between supply and demand generally seems to be in progress. However, we in Canada should recognize that since 1939 our population has increased by almost 50% and it is expected that in another 10 years it will be double the prewar figure. The development of the country northward is upon us, the progress of the railways and of the country is closely linked. The railway equipment and supply industry stands ready to provide the rolling stock needed in the further development of the country.

* * *

H. Norman Davis

President, Ogilvie Flour Mills.

I do not anticipate a serious recession during 1954 but I do feel it will be a year of adjustments in many fields as supply in most industries is catching up with demand. It would be well, therefore, for industry to examine markets, adjust operations to probable demand, to watch costs and effect economies wherever possible.

The outlook in the flour milling business is difficult to calculate as so much depends on the course of prices and the export situation. Competition in both export and domestic markets promises to be keen, as Canada's milling capacity is three times the Canadian consumption, so that export markets are vital to the industry and to the agricultural economy.

However, if Canadian wheat prices are competitive with other export countries, Canada with its high grade wheat and flour should maintain its priority in traditional markets. It is important that it should, because Canadian flour is the best salesman for Canadian wheat. The only manner in which the mills of other countries can compete with Canadian flour is to mill Canadian wheat.

* * *

W. E. P. Duncan

General Manager, Toronto Transportation Commission.

Any forecast of transit conditions in 1954 for the Toronto district must take into account certain factors which are somewhat indeterminate.

On January 1, 1954, the Commission will assume financial responsibility for transit operations in the whole municipality of Metropolitan Toronto, an area of 240 square miles as compared with the present area of 35 square miles.

On March 30 the Yonge Street Subway will be opened with its resultant effect on the travel habits of the people of this community.

On July 1 the Commission must take over the properties of several independent bus lines and co-ordinate their operations with its own services.

The general trend of traffic has been falling at the rate of 1% per annum, due largely to increased use of automobiles for personal transportation to and from work. Labor costs continue to increase. Costs of materials have been somewhat spotty, with an average upward trend but definite indications of stabilization. The sharp increase in power costs which took place in 1953 should not be repeated in 1954.

The net effect of all these factors is difficult to appraise, but undoubtedly a zone fare system will have to be established by the Commission in 1954, with a prospect of increased fares for the majority of our passengers.

* * *

R. H. Davis

President, Atlas Steels Ltd.

We are optimistic regarding prospects for 1954 despite a slow year just passed. We look forward to marked improvement in our own business as well as continued progress for the entire Canadian economy.

The fear of recession, which had a bad effect on our own as well as other businesses last year, now seems to be subsiding. Despite many cancellations of defense contracts, industry has found by experience that it can stand on its own feet.

Canadian industry has need of the tool, die, machinery, specialty and stainless steels, the production of which Atlas Steels has pioneered in this country.

At Atlas much new and important equipment not available to us last year will soon come into use. The effect of the new production that will be possible with this equipment will make itself felt during the coming year.

Of particular interest to Canada's growing stainless steel industry will be the first operation in Canada of continuous strip and welded tubing equipment now undergoing test runs at our Welland plant. Full operation of these facilities will give the market Canadian-produced stainless cold rolled strip and welded tubing, in addition to the stainless sheet, bar, rod and wire we now make.

In addition, we are putting into operation the first commercial installation for continuous casting of steel ever attempted in this country. Other new equipment installed during the past year and nearly ready for production is designed to increase the manufacturing efficiency and quality of the variety of products Atlas makes. A number of these products which will be available during the year will be new to the Canadian and export market.

We look forward to a good, full year.

* * *

W. I. Drynan

President, Canadian Canners Ltd.

Sales and production of Canadian fruits and vegetables should continue to increase in 1954.

This can be offset to some extent by importations from the United States and other foreign countries, should joint grower-processor appeals to the federal and provincial governments be disregarded, and should the buying public of Canada continue to not give any particular preference to Canadian grown and manufactured foods of equal or better quality.

We can see very little possibility of a downward trend in selling prices for the coming year, and the industry will do well to hold the present level of prices in the face of possible advancing labor costs, higher material and produce costs, which could be offset to some extent by greater efficiency in the industry.

Our company is a Canadian-owned company mainly producing Canadian products for Canadians. We have great faith in our country and our outlook for a wider distribution of Aylmer and other products was never brighter.

* * *

T. W. Eadie

President, Bell Telephone Co of Canada.

Industrial activity, employment and personal income again reached high levels in Canada in 1953. On an over-all basis, we may expect the maintenance of these conditions in 1954, although difficulties for individual industries and areas may be caused by the return of more competitive conditions and by the surplus stocks of agricultural products. However, the demand for new homes and consumer goods and services is likely to remain firm and little if any easing of consumer prices appears to be imminent.

The demand for telephone service in 1953 in the territory in which we operate — Ontario and Quebec — was the greatest we have ever experienced. As a result, the net gain in telephones for the year will approximate 150,000, and the total number of long distance calls will be higher than in 1952. Expenditures on new construction this year amounted to $86 millions, the largest in the company's history.

We expect that the demand for both local and long distance service will be sustained at a high level in 1954, and we estimate that our outlays to expand and improve our facilities will exceed $100 millions in the year to come.

C. Sydney Frost

Vice-President and General Manager, The Bank of Nova Scotia.

Judged by the level of employment, production, and income, the year just closing has been the best in Canada's history. Present indications suggest that 1954 will be a year of high activity, though it will almost certainly be even more competitive and will undoubtedly witness readjustments in some parts of the business structure.

The strongest element in the Canadian picture is the underlying growth of the economy. The present rate of population growth is about 2½% per annum, which is one of the highest rates of increase in the world. The development of new resources is providing the basis for more industrial expansion. There are substantial accumulated needs for educational and social services, for roads, for commercial facilities and public utilities. And a high level of real income, which is still rising though less rapidly than a year ago, provides a strong background for consumer buying.

On the other hand, our basic exports are in better supply and their prices have on the average been declining moderately. In general, export markets are becoming highly competitive. There has been some increase in business inventories and recently there have been indications that the demand for some durable "consumer goods" is slackening. There is also some question as to the outlook for business in the United States.

* * *

John N. Flood

President, Canadian Construction Association.

The prospects for 1954 in the Canadian construction industry are for a retention of this year's volume of approximately $4.5 billions, with about 60% in the building construction field and the remainder consisting of various types of engineering construction projects. Costs will also likely remain about the same as in 1953.

Competition is exceedingly keen throughout the industry, material shortages have been virtually overcome and construction times are being reduced. This

(Continued on page 8)

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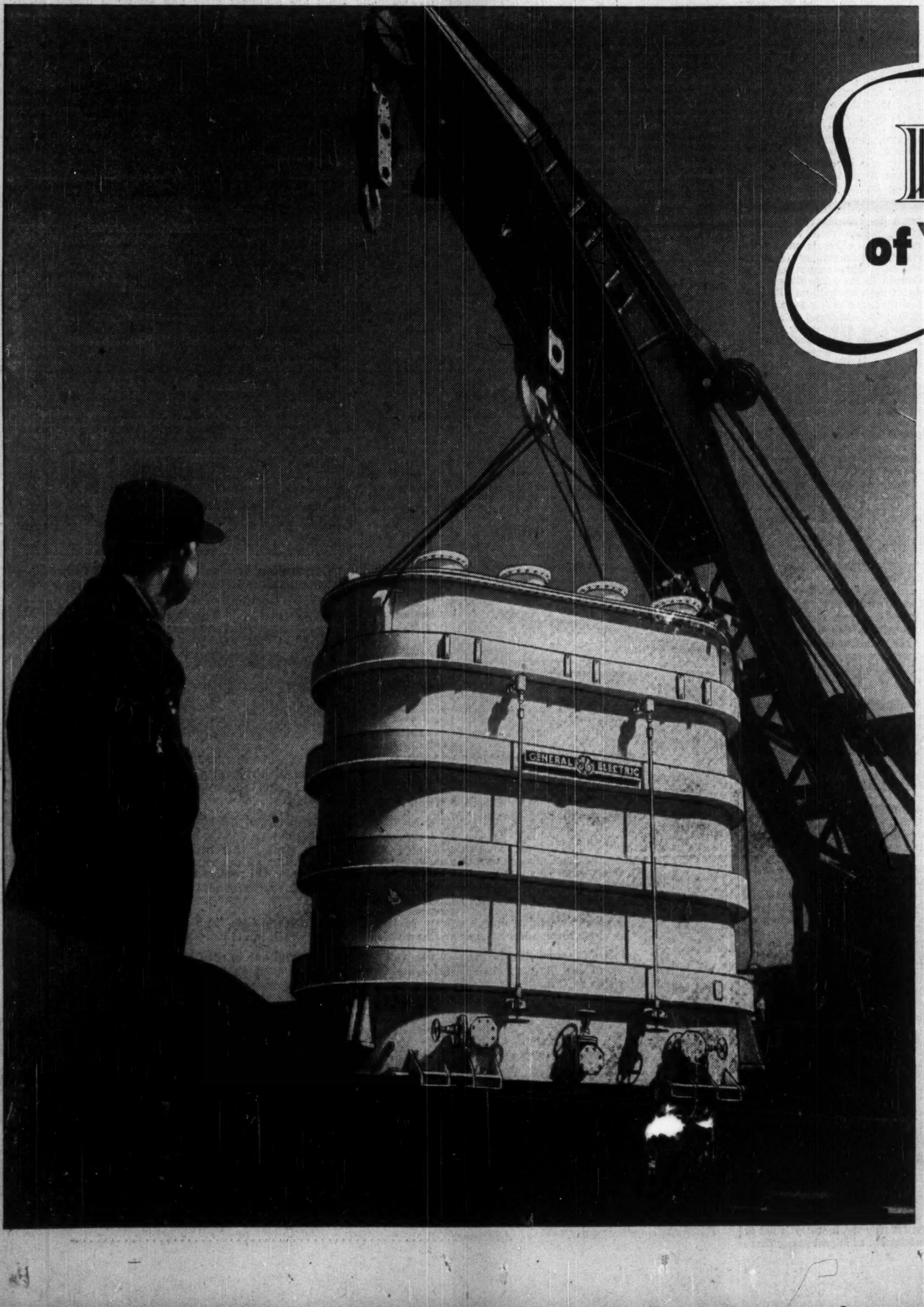

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How Business Leaders See The Outlook For 1954

(Continued from page 7)

situation favors purchasers of construction and will likely also tend to force marginal contractors out of business.

The rise in construction costs has been very moderate during the past two or three years. Downward influences have been declines in material prices, greater job-site efficiency, new techniques, a better supply situation and intense competition. These have generally been counteracted by increased labor costs and consumer demand for a higher standard of structure, especially from the standpoint of more elaborate electrical and mechanical installations.

The industry looks for stability in labor costs in 1954 because of several factors including the leveling of the consumers' price index, the substantial gain in employees' annual incomes and the widespread realization that construction prices must be made attractive to investors if the industry is to retain its current level of employment.

* * *

S. M. Finlayson

President, Canadian Marconi Co.

The reduction in income and other taxes during 1953 appears to have stimulated the demand for consumer goods, despite the high level at which the Canadian economy has operated during 1953, and it seems likely that conditions in 1954 will continue to be favorable for most industries.

A satisfactory market throughout the year appears to be indicated for the electronic industry and the licensing of many new television stations will provide for a continuously broadening market, geographically and otherwise, for television receivers.

* * *

John J. Fitzgibbons

President and Managing Director, Famous Players Canadian Corp.

During 1953 the quality of motion pictures improved greatly and this was reflected in box office returns. A number of motion pictures to be available to theatres in 1954 have been previewed and these productions proved to be of the same high quality.

The latter part of 1953 saw a number of important technical developments in the motion picture industry. The introduction of three-dimension motion pictures, stereophonic sound and wide screens attracted many new patrons to Canadian theatres.

Early in 1954 we will see a large number of Cinema Scope installations in Canadian theatres. This revolutionary process of making and presenting motion pictures was introduced by 20th Century-Fox, and it has proved to be tremendously popular. The reception of "The Robe," the first of Cinema Scope productions, has been exceptional throughout Canada. The second Cinema Scope feature, "How to Marry A Millionaire," will be showing during the holiday and it is expected to add new records to those already established by the first production.

The high quality of product now available, and the expectation of a continuation of a high level of employment in Canada, takes us into 1954 confident that the motion picture industry in Canada can look forward to another successful year.

* * *

J. D. Ferguson

President, Canadian Manufacturers' Association.

Making a flat statement regarding the expected level of business and employment in 1954 would entail more risk than I am prepared to take. However, I feel safe in saying that the long range graph of Canada's prosperity cannot show anything else than an upward curve.

Soft spots which exist presently in the country's economy and stiffer competition for Canadian business in the immediate future could breed caution in the thinking of manufacturing management, but any dislocation that might occur cannot be anything but temporary.

Our population continues to grow at a fast rate, and this in itself should cause a continuing and increasing demand for manufactured products. Our trading position in the world is being maintained, but retention of our third ranking position depends to a great extent on our ability to keep our prices competitive, on increasing productivity through steady technological improvement, on the lessening of international tension over which we as a nation have little control, and on the maintenance of demand by countries which are buying our products.

* * *

Lewis J-B. Forbes

President, Pilkington Brothers (Canada) Ltd.

The closing year has been a better one than 1952, although the latter part of '52 showed a considerable improvement which continued into the new year. Work in the construction industry has been at a high level and judging from figures this is likely to continue for some time to come, although there is a good deal of muttering and grumbling about price levels.

The Canadian tends to be overanxious about the future. His eyes are directed south of the border and he sees from reports in the American business press that a recession there is feared. It is quite easy to talk up a recession and the result is that firms begin to examine their inventories, reduce their ordering—a cumulative effect is produced—result, the beginning of a recession. This cannot apply to Canada to the same degree. So much new work has to be done and there are so few people to do it that the likelihood of a severe setback is exceedingly remote. More people and still more people are needed, especially from Britain and Western Europe.

Another perennial problem is the continuing imbalance of British trade. Britain still buys nearly a half more from Canada than she sells to Canada and would buy still more if dollars were available. British Columbia is suffering from a minor setback as she can't sell lumber and canned fish hasn't a considerable buying power. This power is in the Central Provinces, so to help British Columbia, Ontario and Quebec should buy more from Britain. This they can do with a little effort and accordingly help their Western brothers as well as Britain.

* * *

Crawford Gordon, Jr.

President and General Manager, A. V. Roe Canada Ltd.

The year 1954 could well be the greatest year for Canada's young aircraft industry, not so much in terms of over-all employment but because of certain events which should firmly and permanently establish it as an essential and integral part of Canada's march toward greatness.

These events have to do with acceptance of the principle that fundamental and original aeronautical design and development must be carried on if Canadian aircraft industry is to maintain its hard-won position as one of the world's foremost designers and producers of aircraft.

These events or projects are not likely to have any immediate affect on employment. In fact, there may be a slight reduction in the over-all industry job level, although little or no leveling off is expected at Avro, Canada. But these projects will have an important bearing on the future of the industry and hence on employment. We are on the threshold of great Canadian aeronautical developments that can mean much to Canada's growth.

As for business generally, a slight downtrend seems to be indicated. In one or two consumer fields it might be more than slight. But no matter what happens, nothing can alter the indisputable fact that Canada is on the march and any downturn is only a temporary detour on the road to greatness.

* * *

Philip N. Gross

President, Anglin-Norcross Corp.

The volume of uncompleted construction work being carried forward by the industry is not as substantial as in past years. There is an indication that there will be a slight reduction in the number of contracts awarded in all phases of construction during the coming year.

There is little possibility of prices being much lower, as keen competition in the industry has been a dominant factor during the past twelve months.

* * *

D. C. Gaskin

President, Studebaker Corp. of Canada.

As we enter 1954 all Canadians are concerned with what the year holds in store for us. No one who has traveled across the country as much as I have done in 1953 can be pessimistic about the year ahead.

Wherever one goes there are signs of a constant expanding economy. Our population will reach 15 million in 1954 if it has not done so by the end of the present year.

During the coming year there will undoubtedly be a start on the hydro-electric power development in the lower St. Lawrence and quite possibly on the construction of the St. Lawrence waterway. These two projects alone will put hundreds of millions of dollars into circulation.

In our own field, the automobile industry has in 1953 experienced the greatest year in our history. Production and employment are at an all time high and expansion projects now under way indicate production and employment in 1954 as great, if not greater, than in 1953.

Most Canadians with whom I have spoken in recent months look very optimistically towards 1954.

* * *

A. Gould

President, Acme Glove & Apparel Ltd.

The Canadian apparel industry is apparently faced with a new year of readjustment.

Due to wartime activity, our productive capacity has been built to a point where we produce more than we can consume, making competition such that in order to maintain volume on an economic level, goods must be sold at prices which seriously impair profit margins.

Department and chain stores are importing finished apparel from the United States at prices much below comparable goods as manufactured in Canada.

An active movement is presently under way to obtain government legislation to protect our industry from this type of unfair competition.

Unseasonable fall weather this past few months will undoubtedly reflect on the buying activities of apparel retailers for the like season of next year, and this may result in making it necessary for production to be curtailed at manufacturing level.

In spite of these unfavorable conditions, it is still quite apparent that our national economic structure is the soundest in the

(Continued on page 9)

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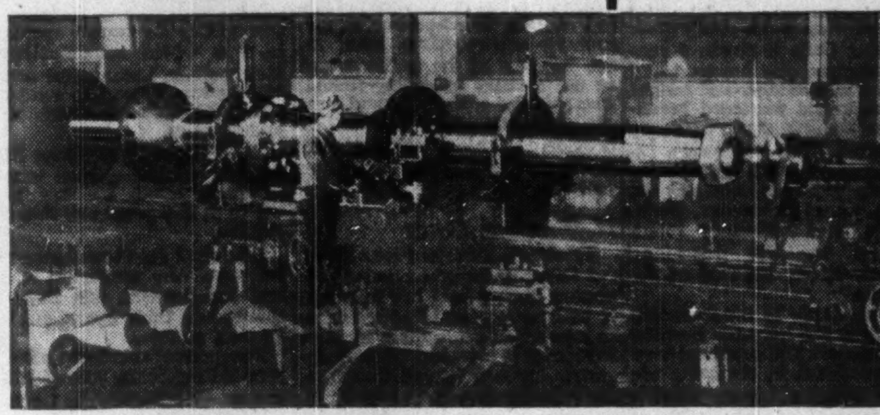
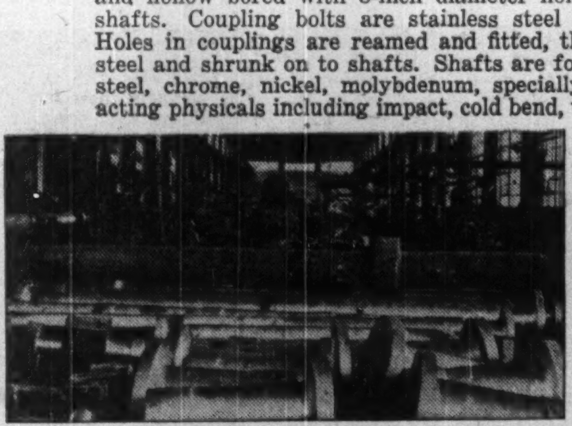

Another illustration of the facilities and capacity of the great Canforge plants at Welland is this combination Turbine Shaft for an 11,000 H.P. unit, produced for the Niagara Power Company at Niagara Falls. Shafts are finished to a very close tolerance and hollow bored with 8-inch diameter hole throughout the two shafts. Coupling bolts are stainless steel and nuts are bronze. Holes in couplings are reamed and fitted, the cones being carbon steel and shrunk on to shafts. Shafts are forged with S.A.E. 4340 steel, chrome, nickel, molybdenum, specially heat treated to exacting physicals including impact, cold bend, tensile and other tests.

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1953 DIVIDEND RECORD

The valuable annual edition of The Financial Post Corporation Service Dividend Record will be published the middle of January, 1954. This Record gives complete information on dividends paid by Canadian public companies in 1953. An example follows:

Amount $	Payable or paid	Record Date
Intl. Nickel Co. of Canada Ltd.		
7% c pf ($100 & $5) Rate 7% pa Q		
1¾% US	Feb 2/53	Jan 5-xd 2
1¾% US	May 1/53	Apr 1-xd 31
1¾% US	Aug 1/53	Jul 2-xd 30
1¾% US	Nov 2/53	Oct 5-xd 2
Paid: 1952—7%; 1951—7%		
Common (np) Rate $2.00 pa Q		
0.50US	..Mar 20/53	Feb 18-xd 17
0.50US	. Jun 20/53	May 21-xd 20
0.50US	.. Sep 21/53	Aug 24-xd 21
0.50+0.35 US	Dec 21/53	Nov 23-xd 20
Paid: 1952—$2.00+0.60; 1951—$1.80+0.80		

Individual Copies — Individual copies of this useful permanent record of 1953 dividends may be ordered **prior to Dec. 31, 1953, at a special pre-publication rate** of $1.50 per copy for one copy and 50 cents for each additional copy. After Dec. 31, 1953, the regular rate of $2.00 for one copy and 50 cents for each additional copy will apply.

Year-Round Service — For those who require continuous dividend information, The Financial Post Corporation Service Dividend Record may be secured on a service basis at the moderate rate of $20.00 a year. This rate brings you a card each week giving new dividends declared and at the first of each month a cumulative booklet bringing all announcements to date into the one place. If you subscribe before the end of 1953 you will receive one copy of the 1953 annual edition as part of your service and may secure extra copies of that edition at the *special pre-publication subscriber rate of* 35c *each*.

Your clients would welcome a copy of this Record. It would help them materially in calculating their income tax returns and be a valuable record which would be retained for future use.

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B. K. SANDWELL

I SHOULD LIKE SOME STATISTICS on the geographical distribution, in Canada, of the practice of hanging up one's overcoat and hat in the lobby of the church before attending divine service. My personal observation suggests that it is rare in Quebec and Ontario until one gets to Fort William, and that it becomes increasingly common the further west one goes.

It seems to be associated with a certain ready faith in human nature, which is unquestionably a western characteristic, and which probably arises less out of undue optimism than out of the fact that in a thinly populated and open country it is difficult for the evil-doer to get away with his evil deeds.

That it should have spread to British Columbia is remarkable, for most of the habits of that province, especially on Vancouver Island, are English, and nothing could be less English than this trustingness with hats, overcoats and umbrellas. The explanation may lie in the fact that when it rains on the Pacific Coast it really rains, and to take these soaked garments and utensils into the church itself would damage the cushions and perhaps threaten the health of the worshippers.

One factor may be the amount of space in the church per worshipper. In the East we have provided ourselves rather amply with churches (except in the new bungalow suburbs, which have grown up so rapidly that their churches are completely swamped with churchgoers), and there is usually plenty of space in the pews for the ordinary attendance of worshippers and all their overcoats at the same time. This is not the case in the West, and a good many of the churches are very crowded at the chief service, while the proportion of males is also higher. (Women of course never divest themselves of their outdoor apparel). A pew made for six people is uncomfortable when occupied by three men, three women and three wet male overcoats.

And Look at the Results

CONVERSATION WITH A LOT OF BRITISH COLUMBIANS in the last two weeks has confirmed me in an opinion which I have been developing for some years, that people today are much more concerned to vote AGAINST something than to vote FOR anything. The Social Credit vote in British Columbia is a definite and rather desperate vote against Socialism. The Socialist vote is not so much a vote for Socialism as a vote against the old parties and their supposed control by the wicked "interests." The Liberals and Conservatives are only against one another, and since nobody regards either one of them as capable of winning nobody has to be against either of them.

The Coalition of Liberals and Conservatives did a good deal to bring about this purely negative attitude, for it was an admission that its supporters cared little about any positive policies and cared everything about keeping the Socialists out. The Social Credit party has the immense advantage that it stands for nothing that can possibly be achieved by a party in power in the province alone, and that everybody knows this. It is the party that offers the best prospect of keeping the Socialists out, and that is what the people who vote it in want it to do.

The defeat of the Provincial Treasurer by a Liberal opponent can scarcely be taken as an indication of reviving Liberal strength. The constituency was a difficult one for a Social Credit candidate, and the Liberals were determined to make a demonstration of returning vitality and threw every ounce of effort into the struggle that they were capable of. It seems likely that many voters voted for the Liberal candidate with the reflection that to do so would not put the Socialists in and would make it harder for the Social Crediters to do anything beyond keeping the Socialists out—which is exactly the position in which a great many British Columbians like to have the Social Credit government. It sounds screwy, and it is obviously not a means for procuring good government; but it seems to be what the British Columbians want at the moment.

Tassels on the Fringe

IN THIS MATTER OF FRINGE BENEFITS, the fringe is getting pretty deep and rich, and is developing tassels. The general mass of the membership of the trade unions no doubt believe quite sincerely that these benefits make no serious addition to the cost of production, as compared with the straight wage increases which they are so heroically refraining, in some cases, from pressing. But in practice the addition of three days of holidays with pay, which at the moment is a favorite form of betterment, means much more than the bare 1% raise which it looks like. It idles not only the workers but the whole capital investment of the industry, and not at regular periods like the week-end, which can be utilized for necessary inspection and repair work, but at irregular intervals so that no efficient use can be made of the idle time.

The conditions of operation in industry, which used to be determined pretty generally by the employers with a view to the maximum of efficiency, are now largely determined by the employees with a view to the maximum of their own convenience. The chief economic effect of the change is a marked diminution in the production resulting from a given expenditure on labor, which in turn must reflect itself in an equally marked rise in production costs. In industries which do not have to face international competition this rise can go for a long time and be passed on to the consumer; but in industries in which the world market is important it cannot.

In future studies of wage relationships between Canada and the other countries with which she has to compete, these fringe benefits will have to form an important part of the computation. What matters is not the rate of wages per hour, but the wage cost of a given volume of production. Holidays with pay do not increase the wage per hour, but they do increase very substantially the wage cost of a given volume of production, and that is the figure which governs the country's real standard of living and its ability to compete in world markets. In the home market, if protected either by tariff or by circumstances, the increase can be passed on to the consumer, but since every wage-earner is also a consumer the process leaves the holiday-getter much where he was before, except that he has more time to play and less goods to play with.

Better Christians Than Their Teachers

TOM TAYLOR, columnist of the Victoria Colonist, who saw the Coronation from the triforium of Westminster Abbey, told me the only person in the assemblage whom he saw kneel down and pray for a few seconds on taking her seat in the Abbey was Queen Salote of the Friendly Islands. He does not guarantee that nobody else did so, but he did not see anybody else.

This adds an interesting note both to the account of the deep impression made by Queen Salote on the British public, and to the later story of the readjustment of Queen Elizabeth's schedule for her visit to the Friendly Islands in deference to the religious feelings of the inhabitants about the observance of Sunday.

The people of the isolated islands in the vast Pacific Ocean have long been noted for their strong sense of the supernatural, and their conversion to Christianity made them in some respects at least even better Christians than their teachers. Queen Salote appears to have had a much stronger realization of the real character and significance of the Coronation ceremony than a good many of the Europeans and North Americans who attended it.

How Businessmen See '54 Outlook

(Continued from page 8)

world and our continued progress is inevitable for 1954.

Although we in the apparel field must operate in the new year on the basis of strict caution: those of us who show a little ingenuity and foresight, will still be endowed with a reasonable measure of success.

Canada continues to go forward and our industry can advance with our national progress.

* * *

G. B. Gordon

President, Dominion Textile Co.

The textile industry is hoping very much that things will be better in 1954 than in the bad year now drawing to a close. The best prospect for such hopes to be realized rests in the proposed action by the Federal Government to halt dumping of U. S. textiles into Canada. Just what form that action will take is not yet known, and how effective it will be also remains to be seen.

If the Canadian textile industry can obtain a reasonable share of the domestic market in the months ahead there should be a marked upturn in production and employment. Costs are bound to follow the trend of wages, while prices are governed by internal and external competition and are not likely to show any substantial increases. The future of the industry hangs in the balance, and 1954 may well prove to be the crucial year in its history.

* * *

C. G. Groff

Secretary-Treasurer, Canadian Federation of Agriculture.

The outlook for general business conditions in 1954 in the non-agricultural sector of the Canadian economy appears to be as favorable as in 1953.

The outlook for agriculture is not so favorable, and the concern farmers feel may be measured by considering the 16% drop that has occurred in the purchasing power to the farmer of farm commodity prices since 1949, which was a fairly balanced year.

The surplus grain supply is the outstanding feature of the current farm picture, but an orderly system of Board marketing enables it, to date, to be classed more as an asset than as a threat to agriculture.

By the latter part of next year the prospect is for larger marketings of eggs, milk, cattle and hogs, and with reduced export outlets and large U. S. surpluses a further cost-price squeeze is all too possible for Canadian farmers.

Current U. S. re-assessment of farm policy poses unanswered questions of great significance to Canadian agriculture.

* * *

Lawrence M. Hart

President, White Motor Co.

The leveling off of defense expenditures in the United States has made an additional supply of vital component parts needed both in manufacture and in the service of industry.

Productivity, for the first time since the European War, indicates that it can now meet the postwar expansion of city and inter-city road transportation.

Truck transportation in Canada has become an essential factor in the shipment of materials and perishable foods from an economic and delivery standpoint. With improved highways, road transportation will become nationally important. Our industry is fully aware of this development and in consequence, additional sales and service facilities have been constructed at convenient locations throughout Canada.

Total domestic truck sales for the 10 months ended Oct. 31 were approximately 10% lower than for the same period in 1952, mainly due to increased demand in the gross vehicle weight classifications.

Sales prices remained fairly constant, though due to increased hourly wages with a shorter wage week, costs were higher.

Employment has been steady throughout the year.

Customer credit commitments have been met but will require closer scrutiny as competition becomes intensified.

It may be predicted that the industry can look forward with renewed optimism during 1954 in the knowledge of the various planned exploration projects of our natural resources combined with the increasing industrial expansion throughout all the provinces.

* * *

J. G. Hungerford

Executive Vice-President, National Trust Co.

The continued growth in the Canadian economy is reflected in the steady expansion of assets under administration by trust companies. The volume of personal trust business is at a new high level, and we anticipate the continuation of the rate of growth. Costs of operation have stabilized to some degree but at a level which produces profits unfavorable by comparison with those of most industries.

There are indications that capital expenditures in 1954 will fall short of the record levels reached during the year now ending. If this should be the case, earnings of the corporate trust departments may show a decline. The activity of the stock transfer departments will reflect the volume of trading on the stock exchanges and this, of course, is impossible to predict.

Reflecting their strong financial condition, the volume of savings deposits of trust companies is now higher than ever before. Nevertheless, the rate of growth has been slower than in the case of savings deposits of the chartered banks, though an important factor in the showing made by the banks is undoubtedly their extensive branch system. To hold their competitive position, most trust companies have recently considered it necessary to increase the rate of interest on savings deposits from 2% to 2½%. While deposits should continue to increase, it is unlikely that the rate of growth will be sufficiently rapid to offset the increased costs within the next year.

* * *

F. E. Hall

President, Vancouver Stock Exchange, and also Hall Securities Ltd.

The business outlook for British Columbia for 1954 is generally regarded as good. Favorable factors are the continued population growth, contemplated construction in excess of $200 millions, the maintenance of present production in the major industries, and an expected increase in manufacturing and retail sales. The unfavorable factor is the declining mining production of gold and base metals.

The commencement of aluminum production at Kitimat in May and the B.C. Electric $35 millions power expansion program are two major developments for 1954. The third major development we hope for is the project to pipe Peace River natural gas to the Pacific Northwest, which, with the other two, would create a potential in industrial expansion of widespread interest. We welcome the growing number of branch plants and offices in B. C. of national firms.

Thus production and employment is expected to continue on a good level, with costs slightly higher but prices effected by competition.

The Vancouver Stock Exchange members look forward to more active advancing markets in our industrial, gas and oil shares during 1954, because of the major developments ahead of us.

* * *

J. William Horsey

President, Dominion Stores Ltd.

A prominent banker said to me recently, "In 1954 business will have a good look at its costs. Not that a depression is in sight but the going will be tougher." Others say business should continue to be good. I think both are true but the spoils are going to those who are willing to work.

In the food business we should do well as the money today is in

(Continued on page 10)

Man. Paving Way For New Pipelines

From Our Own Correspondent

WINNIPEG — Government legislation will be introduced at the coming session of the Manitoba Legislature to authorize construction of oil and natural gas pipelines.

Should new oil fields be designated in the province or in case of recovery of natural gas there is no existing authority for installation of pipeline transportation facilities. Interests which might undertake to provide them have no power to acquire right of way facilities for building them.

Interprovincial's pipeline, which crosses the province from the Alberta oil fields, has this power under its federal charter. Business interests in Virden have already built a pipeline from the Daly oil field to connect with the Interprovincial line at Cromer eight miles distant. In this case, right-of-way privileges were obtained by agreement with land owners.

Need for provincial legislation was suggested at a Dec. 16 meeting of the provincial Oil and Natural Gas Conservation Board here. A similar bill is being introduced in Saskatchewan.

Representatives of 12 oil companies who attended the meeting agreed that for the present they were satisfied with the limits on oil production in Manitoba. The only restriction is 70 bbls. a day in the recently designated Virden-Roselea field. No limits on production have ever been set on the Daly field, still producing more than 90% of the Manitoba oil yield.

COUNTY OF ONTARIO has sold $200,000 4½% debentures due Dec. 15, 1954-58, to Equitable Securities of Canada Ltd. and Imperial Bank of Canada at 100.81. Proceeds for construction of addition to County Registry office, Whitby, Ont.

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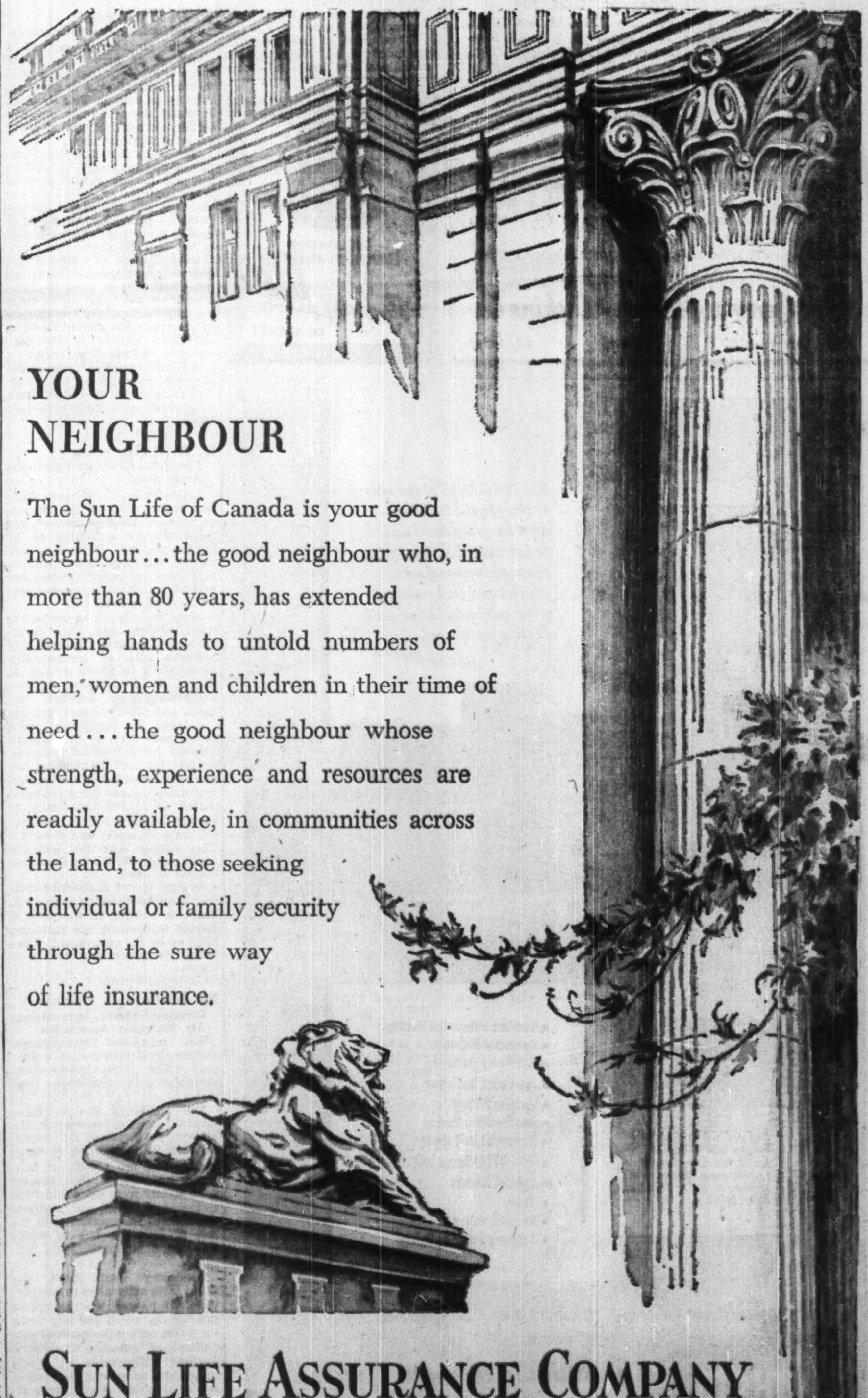

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How Business Leaders See The Outlook For 1954

(Continued from page 9)

the hands of those who know how to eat and do eat well.

Much of the scramble for expansion and the price being paid to outdo competition is unwarranted and unsound and an adjustment in this direction is bound to come.

The cost of distribution is still the greatest problem in the country, and while costs of production are lower in both the U S. and Canada, costs of distribution have soared to new heights. Unwarranted and unjustified expansion does not help in the solution of that problem.

* * *

J. B. Humphrey

President, Independent Automobile and Casualty Insurance Conference.

Present indications point to little change in 1954. If there is any trend it will probably be in the nature of a downward adjustment, which should, over the months ahead encourage all of us to put forth more constructive efforts and ingenuity in order to maintain our present living standards.

Automobile insurance premiums must of necessity reflect the national economy and the nation's driving habits. Living costs and accident costs have a very direct bearing on the premiums paid by the public for automobile insurance.

With the probability that the cost of living will remain about level the cost per accident should also remain at approximately its present figure. Therefore, it is up to the motorist in 1954. By his driving habits he will directly control the price he will be paying for automobile insurance in succeeding years.

* * *

H. J. Henderson

President and General Manager, Kraft Foods Ltd.

Introduction of new products, expanded sales of others and the addition of new sales and manufacturing facilities helped make 1953 an outstandingly successful year for Kraft Foods.

During 1953 we opened a new sales and distribution branch in Winnipeg to replace outmoded facilities. We are nearing completion of additional facilities in our modern sales branch and manufacturing plant in Vancouver, which were made necessary by our expanding business in British Columbia.

Early next spring, just outside of Montreal, construction will start on one of the finest Kraft plants in the world.

Completion of the new Montreal plant will mean modernization of all Kraft facilities in Canada but business prospects are so good we cannot yet foresee the end of our construction program.

* * *

R. S. Hamilton

President, Canadian Association of Equipment Distributors.

With the backlog of construction work to be done in Canada—together with the prospect of large projects which may materialize—we are optimistic for a continuance of activity in construction machinery.

This year has been one of readjustment in view of the supply rapidly catching up with the demand for heavy equipment but in spite of this, the level of business done has not depreciated to any serious extent. As far as we can foresee, 1954 will undoubtedly show a small recession and the major problem with which we are faced at the moment is the finding of markets for the used equipment which has more or less outlived its normal life. This is bound to be a problem until present users can adjust values to what can reasonably be hoped will be obtainable.

* * *

R. D. Harkness

President, Northern Electric Co.

While business in general is operating at very high levels, there is evidence that the supply of most commodities is now reasonably in balance with demand. In some instances basic raw materials are being offered at lower prices in world markets.

The demand for additional output of electric power is continuing and further development of these facilities which is now under way will add to the nation's potential productive capacity, as well as providing further electrification in rural areas.

Development of natural resources, construction of industrial establishments at new locations away from the larger cities, housing construction, and the opening of new townsites should result in continued activity in the construction and allied industries.

It is anticipated in so far as the electrical industry is concerned, that the present level of demand, in general, will continue during 1954.

* * *

R. H. C. Harrison

President, Canadian Petroleum Association.

Expenditures in Western Canada during 1953 on oil and gas exploration and development, are conservatively estimated at $1 million-per-day. This does not include the large sums spent on pipelines, refinery expansion, petrochemical plants, market outlets, and other additions.

Since the success of the petroleum industry creates the development of natural resources any progress achieved consequently must result in added wealth to the nation. In addition, this development will improve our dollar and export-import position.

In 1946 our production could satisfy only 9.4% of the nation's demand for petroleum products. Despite the fact the demand has more than doubled, it is estimated that today Canada has a potential output of 345,000 bbls. daily, to supply the daily demand of 500,000 bbls. of crude and products. This means that the industry could supply 69% of the Canadian market demand.

Several recent discoveries indicate most encouraging potentials. There is nothing in the general picture to decrease the optimism built up by the past record of the industry's efforts and results in Canada.

* * *

Sir William P. Hildred

Director General, International Air Transport Association.

The scheduled international airlines look forward to a new year which, it is already clear, presents both challenges and threats.

The challenge lies in three specific areas of operation: the further development of tourist services; the expansion of cargo traffic; and the growth of helicopter operations. The dangers arise mainly from the world-wide economic situation, which affects the airlines in common with the rest of industry, but to which they are most particularly sensitive.

Beginning next April, the world-wide network of tourist services will be complete throughout most of the world and will bring air travel within the reach of new millions of potential customers. Further adjustments in world cargo rates have been designed to render air shipping even more attractive and valuable to the user. New equipment—piston engine, turboprop and jet—will increase the speed and reliability of our services; and experimental operations with helicopters during the year should lay the basis for widespread use of this revolutionary means of transportation.

Involved in all of this effort, however, are heavy capital outlays and quite drastic reductions in the selling price of the product which the scheduled airlines have to offer the public.

These two steps, taken simultaneously, add up to a considerable risk which is justified by an underlying conviction that the present high level of economic activity will be substantially maintained for a number of years. At the same time, the balanced airline economy we are trying to achieve would be vulnerable to any recession which might develop contrary to our expectations, or to increases in taxation and in the charges currently levied on the airlines by governments. For this reason, airline plans for 1954 must, as a precaution, include an attempt to build up reserves against eventualities.

* * *

W. F. Holding

President and Managing Director, General Steel Wares Ltd.

Of Canada's entire working force, approximately 25% are directly engaged in manufacturing. It would seem to follow that the buoyancy of the Canadian economy depends, to an appreciable degree, on keeping factory workers employed.

A disturbing feature of the Canadian economic scene has been the increasing flood of American manufactured goods dumped on the Canadian market at prices below those generally prevailing in the United States and, in some cases, below the cost of production. While the impact of this dumping has, to date, been most injurious to the textile and household appliance manufacturers, causing sizeable lay-offs of employees in these important industries, very few Canadian manufacturing concerns have been immune. Any American manufacturer who developed inventory or over-production problems could, under our customs law and regulations, use the Canadian domestic market to work out his difficulties without disturbing his home market.

It appears that the government has become aware of the dangers of this condition, but the remedial measures proposed to date would appear to provide very limited relief.

The Canadian manufacturer does not expect any guaranteed market for his products but, when his home market has no reasonable protection against goods that have proven unsaleable in the country of origin, it creates a continuous hazard.

* * *

Franc. R. Joubin

Managing Director, Technical Mine Consultants Ltd.

The 1954 outlook in our special mining field, development and production of uranium, is excellent. We continue to enjoy success in our search for new ore deposits, in the Beaverlodge area of Saskatchewan, in the Rexspar area of British Columbia and the Algoma district of Ontario. Early in 1954 we expect to become the first post-war private enterprise producers of uranium in Canada.

The price for uranium is, of course, fixed by the Canadian Government who is the sole purchaser. The long-term price and demand outlook for this metal are good, particularly since the industrial research groups of several countries are now turning their serious attention to the study of uranium reactors as power sources.

F. L. Jeckell

General Manager, Dominion Brewers Association.

International trade shifts, plus the waning and waxing of the cold war, are making the prediction of economic trends increasingly difficult. However, there is little question that for at least the next six months, over-all Canadian business activity will remain close to the present high level, and the longer term prospect

(Continued on page 11)

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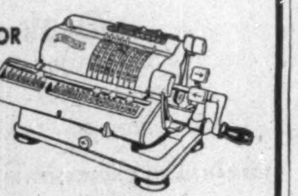

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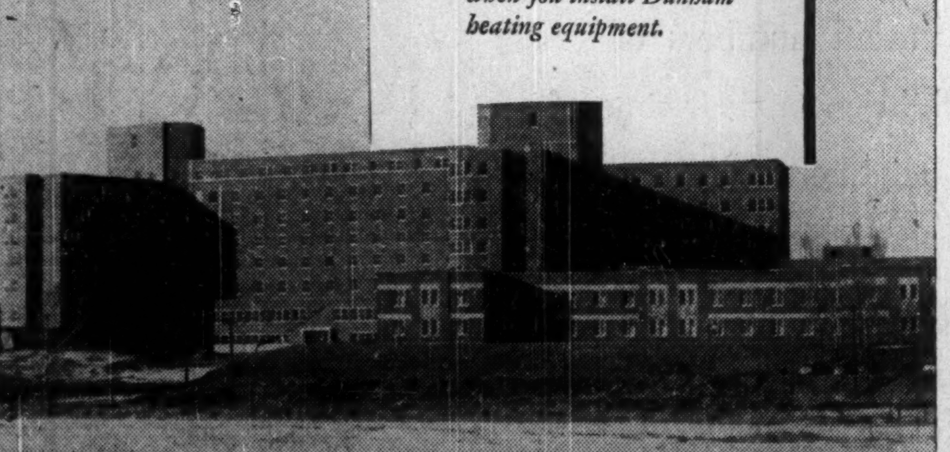

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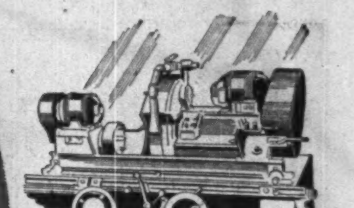

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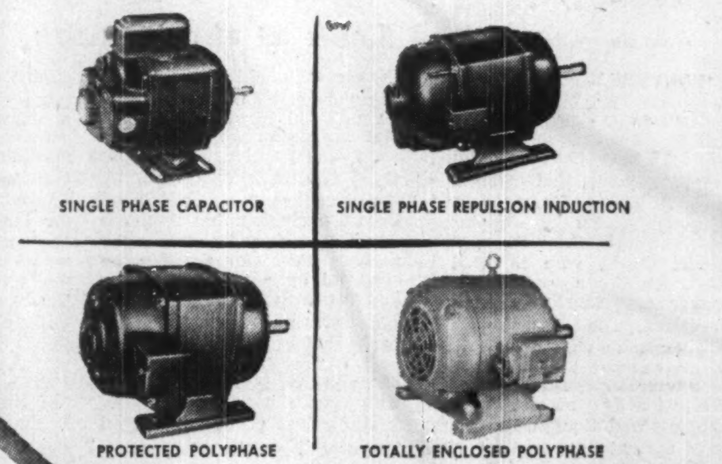

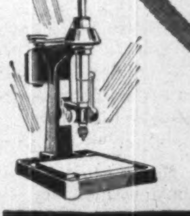

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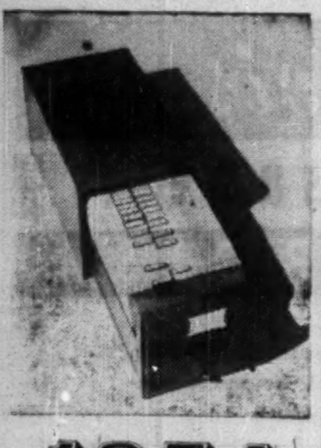

1954

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How Business Leaders See The Outlook For 1954

(Continued from page 10)

holds out every promise of a lively, expanding economy. The postwar inflationary period is nearing its close, but because of new productive capacity and the healthy condition of the average Canadian pocketbook, the aftermath of inflation need not be depression.

In so far as the brewing industry is concerned, the immediate future does not warrant any pessimism. Sales in 1953 were 4% higher than in the previous year, and there is no evidence that the present cycle of increasing sales, keeping pace with increases in population and economic activity, will not continue. With the growth of television in major marketing centres, it is expected that the trend toward greater home consumption of beer will be intensified. Wages and working conditions throughout the brewing industry, which are the highest and best for any comparable group, have continued upward, which should ensure the proper atmosphere for peaceful operations during the coming year.

* * *

Charles Kroft

President, McCabe Grain Co.

The primary prerequisite to a prosperous year in Western Canada is a good crop. In that respect, the west has been fortunate, and this fall, for the third successive year, a much larger than normal crop was harvested. However, a very large proportion of Western Canadian grain production is shipped abroad, or consumed in other parts of Canada, and consequently, adjustments of the national economy and of the world economy, have a very direct effect on Western Canada.

There are indications that the disposition of Western Canadian agricultural surpluses in world trade will be a more difficult task in 1954 than it has been in recent years, when the demand for wheat and other grains exceeded the supply by a large margin. An encouraging indication locally, is the increase in cattle and hog production, which has been prompted by an abundant feed supply.

The gradual decontrol of food procurement and rationing in many countries which are traditional customers for Canadian grain and other agricultural products, must be recognized as an important development. In view of these changing conditions, the Canadian Government should utilize all available means, including the private grain trade and its many correspondents and salesmen in all parts of the world, to expedite the movement of Canadian grain into consumptive channels.

Given adequate incentive and operating with a minimum of restrictions, there is no doubt that Canadian grain merchants can make a substantial contribution towards securing a fair share of the world trade in grain for the benefit of Canada. If adequate quantities of the bountiful 1953 grain harvest are exported, Western Canada will enjoy another year of prosperity in 1954.

* * *

Wm. Kerr

General Manager, The Bank of Toronto.

Comfortable readjustment to new productive possibilities should mark 1954.

Well-supplied at last with consumer goods, Canadians will be choosier than ever about what to order next. Demand for extra goods must compete especially hard, with demand for extra leisure to enjoy them.

Canada's 5½ million workers, though they may get less overtime, should have little more trouble than they have had in recent years in finding work. Even if prices of raw materials continue downward this is not likely to be accompanied by decreasing costs of processing and distributing; thus we can look forward to little, if any, decline in the prices of consumer staples.

To the smoothness of readjustment in Canada, central monetary authorities can best contribute by controlling the total of credit, and commercial banks by allocating it, in such fashion, as will encourage businessmen to meet Canadians' most urgent wants first, and discourage any misuse of our resources in far-fetched projects.

* * *

L. L. Lewis

Resident Vice-President, Springfield Fire and Marine Insurance Co., and President, Canadian Underwriters' Association.

The year ahead, unless sharply affected by world events, will in my opinion, continue the trend of 1953, i.e., a leveling off in our economy. The inflationary trends of the past few years are coming to an end.

There has been an easing of world tensions, and governmental spending may be reduced. If there is a corresponding reduction in taxes, then private spending will increase and thus maintain the business tempo at a high level.

Agricultural prices will tend to decline, and undoubtedly greater selling efforts will be required in all fields to attract the consumers' dollar.

Our statesmen and business leaders must continue to fight the efforts of some elements in our own and other countries to erect new barriers to world trade, with their resulting detriment to our economy.

In the field of property and casualty insurance, competitive factors will continue to tend to drive premium rates to lower levels. I do not look for more than a slight increase in premium volume, and it will probably be another year of scanty profits in the insurance business.

* * *

H. M. Spencer Lewin

Vice-President and General Manager, Bowater's Newfoundland Pulp and Paper Mills Ltd.

The economic outlook should be one of an expanding economy and an increase in real income per capita.

This statement must, however, be qualified. The Canadian economy is to a great extent dependent on the United States, and this is borne out by the fact that during the four years 1948-51 that country took, on the average, 56% of all Canadian exports.

A slump in the United States will undoubtedly affect Canada's economy, but while the "Sellers' Market" is largely gone there appears no reason to expect anything more than a slight recession in 1954. At least it can be said that the barometer of pulp and paper exports to the United States in 1954 is "set fair" and these represent over 30% of total exports to that country.

Finally, the guiding hand at Ottawa is firm and Canadian business is enterprising and imaginative, therefore we should, all of us, approach the New Year with quiet optimism.

* * *

A. L. Lawes

Chairman, Montreal Shipping Co.

The supply of liner and tramp bottoms has definitely reached a point where more space is available than cargoes. This situation is being aggravated almost every day by the launchings of new vessels of all types, particularly dry cargo and tankers. Passenger vessels present a special case. Notwithstanding the enormous increase in overseas air travel, satisfactory traffic conditions should be maintained in 1954.

The outlook for ocean-going dry cargo vessels is rather grim for the reasons mentioned above There is no outlook at all for dry cargo vessels flying the Canadian flag. This subject has been given wide publicity in recent months and I prefer not to "flog a dead horse" by reiterating the pros and cons of the subsidy question. The Government's decision not to subsidize, writes "finis" to the war-built fleet which was purchased by private interests from the Park S. S. Co. at the conclusion of hostilities.

* * *

T. Lindsley

President, Ventures Ltd.

After a more or less continuously active period of business lasting for over 12 years, any economy is bound to develop certain excesses that may require pruning. Such a period of housecleaning now seems to be in order and on the whole will have in the end a healthy effect on the country.

In the present readjustment the changes fortunately are not all taking place at the same time, and some, like the base metal business, are probably nearly over their worst difficulties.

I would like to reaffirm my implicit conviction that Canada has a future simply without peer anywhere in the world.

* * *

A. M. MacKay

President, Maritime Telegraph & Telephone Co.

I believe Canadians can face the New Year with unwavering confidence. The fact that during the past decade Canada has progressed from a relatively obscure position to the fourth trading nation in the world should inspire that confidence. The world's belief in Canada's future is evidenced by the large amount of capital that is coming from abroad for investment in Canadian securities, which invested is reflected in the strength of the Canadian dollar. Why, then, should Canadians be other than confident and optimistic and sold on the basic soundness of the Canadian economy?

I think, however, we should be foolish indeed if we expected the unprecedented prosperity and inflationary tendencies of the last decade to continue indefinitely. I believe a recessionary movement is afoot and that a definite leveling-off will take place during 1954. It is difficult to foresee any substantial reduction in the trend of prices and costs while the existing high wage levels remain.

Present indications in Nova Scotia would seem to suggest some increase in unemployment.

* * *

Ralph R. Moore

President, Canadian Tourist Association.

More aggressive promotion of Canada's tourist attractions will be necessary in 1954, in my opinion, if Canada is to maintain and, in fact, improve its favorable position in the North American tourist trade, but I think it unlikely Canada's tourist business will show any significant decrease in 1954. There is still, I am sure, plenty of purchasing power left in the hands of Canadian and

(Continued on page 12)

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$1,250,000

Alberta Consolidated Gas Utilities Limited

(Incorporated under the laws of Canada)

6% Convertible Sinking Fund Debentures, Series A

To be dated December 15, 1953 — To mature December 15, 1973

Principal and half-yearly interest (June 15 and December 15) and redemption premium, if any, will be payable in lawful money of Canada at any branch in Canada (far northern branches excepted) of the Company's bankers. The Debentures will be issued in coupon form in denominations of $1,000 and $500 registrable as to principal only in Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver, and in fully registered form in denominations of $1,000 and authorized muliples of $1,000.

The Company will covenant to establish a Sinking Fund for the Debentures of this issue and pay to the Trustee, on or before December 15 in each of the years 1954 to 1973 the sum of $44,000. The Sinking Fund is designed to retire 66⅔% of the Debentures by maturity.

Conversion Privilege

These Debentures will be convertible at any time, up to and including December 14, 1963 and if the Debentures shall have been called for redemption, up to and including the day immediately preceding the date fixed for redemption thereof, which ever is earlier, into shares of the Company at the following prices in Canadian currency per share, taking each Debenture at the principal amount thereof and without adjustment for interest accrued thereon:

From December 15, 1953 to December 14, 1958	$ 5 per Common Share
From December 15, 1958 to December 14, 1959	6 per Common Share
From December 15, 1959 to December 14, 1960	7 per Common Share
From December 15, 1960 to December 14, 1961	8 per Common Share
From December 15, 1961 to December 14, 1962	9 per Common Share
From December 15, 1962 to December 14, 1963	10 per Common Share

Trustee: Montreal Trust Company

We, as principals, offer these 6% Convertible Sinking Fund Debentures, Series A, subject to prior sale, if, as and when issued and accepted by us and subject to the approval of all legal matters by the Company's Counsel, Messrs. Lindsay, Emery, Ford, Massie and Jamieson, Edmonton, Alberta and by our Counsel, Messrs. Blake, Cassels and Graydon, Toronto, Ontario.

Price: 100 and accrued interest to yield 6%

It is expected that interim debentures, later interchangeable for definitive debentures, will be available for delivery on or about December 22, 1953.

A Prospectus, a copy of which has been filed under the provisions of the Companies Act (Canada), will be furnished promptly on request.

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QUÉBEC CITY
121,429*

Le Nouvelliste
TROIS-RIVIERES
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A.B.C. Publisher's Statement,
6 mos. ended March 31st, 1953

170,656

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ANNOUNCEMENT

G. D. GARRETT, JR. W. M. DAVIDSON

Announcement is made to-day by Mr. Ewart Greig, President Union Carbide Canada Limited, of the appointment of Mr. George D. Garrett, Jr. as President, Carbide Chemicals Sales Company and W. M. Davidson as President, Bakelite Company, divisions of Union Carbide Canada Limited.

Mr. Garrett was graduated in 1930 from Dartmouth College, and became a research fellow at Mellon Institute of Industrial Research, Pittsburgh under a Union Carbide fellowship. In 1932 he became a technical representative for Carbide and Carbon Chemicals Company in New York. In 1935 he was made District Manager at Albany and in 1939 was transferred to Detroit as District Manager. In 1946 he became Sales Manager for Carbide and Carbon Chemicals Limited. He is a member of the Chemical Institute of Canada.

Mr. W. M. Davidson studied Electrical Engineering at the University of Toronto. He served for two years during World War I as Lieutenant and Captain in the Canadian Infantry, and from 1916 to 1918 as a Lieutenant in the Royal Flying Corps. After about a year with the Toronto Electric Light Company, he joined Bakelite Company of Canada as Sales Manager. In 1933 he became Manager of the Company and was advanced to General Manager in 1935, in 1938 becoming Vice-President and General Manager.

How Business Leaders See The Outlook

(Continued from page 11)

American citizens and it is certain that much of it will go for vacations and travel.

Competition from other contenders for the American tourist dollar is definitely evident, and it is certain to become even more intense next year. To meet this competition and stimulate more vacations in Canada, our promotional efforts must be expanded and standards of accommodation and cuisine improved progressively. Steps must also be taken wherever possible to encourage interprovincial travel within our own country.

* * *

H. W. Manning

Vice-President and Managing Director, Great-West Life Assurance Co.

The expanding sales volume which the life insurance industry has experienced in the past two decades should continue in 1954. The same favorable factors which have influenced the purchase of life insurance should be present during the coming year. The very high income levels provide the ability to buy and the growth in population and formation of new families provide the need to buy. Moreover, it is anticipated that many of labor's demands in 1954 will be in the area of insurance and pension benefits rather than in the familiar area of wages.

Soft spots have been evident in both the durable and nondurable industries, and have had an unfavorable effect on employment. However, the long term outlook for employment is excellent. Canada's vast potential of natural resources will require an increasing supply of labor to aid in their development.

With no new threat to our national security, the trend of prices and costs should remain steady or, if there is any change, it should be downward. In the life insurance industry, where mortality has been improving, interest earnings increasing, and expenses spread over an increasing volume of business in force, the cost of insurance to the policyholder should go down.

Thus the outlook for 1954 in Canada is good. However, since Canada is so vulnerable to outside influences because of her trading position, it would be unrealistic not to acknowledge that what other countries do in the area of trade restrictions can have a tremendous effect on our economy.

* * *

James Matson

Manager for Canada, Royal Liverpool Insurance Groups.

Canada, being rich in resources, should be in a position to do a large world trade. On the other hand, high prices, high costs and a high foreign exchange value of the dollar make the development of foreign trade somewhat difficult. Canada's budgetary position is sound, and therefore from that point of view our dollar is sound. We shall probably run into difficulties with our foreign trade. It is also difficult to reconcile our desire for freer external trade with the upsetting effect of freer imports. I think that more competition and rising costs are going to make our trading position more difficult in 1954.

So far as the insurance business is concerned, any company that can satisfy the requirements of the Dominion Department of Insurance can start business in Canada. There is a steady flow of new entrants, and competition is becoming keener. There is also competition between different ways of doing insurance, and I therefore see a more competitive year for the insurance business in 1954. The bright spot of 1953 is that there are some signs that gradually the social problem of automobile accidents is being solved. Much further education of the public is required, and that will be one of the main tasks of the insurance industry in 1954.

* * *

G. W. G. McConachie

President, Canadian Pacific Airlines.

I anticipate a very active year in air transportation both in domestic and international spheres. The tremendous projects progressing in the Yukon, Northwest Territories, Kitimat, Peace River, Flin Flon and Labrador areas are now entering the development period. This should provide a more constant flow of air traffic with the emphasis on two-way transportation. We look forward to a steady flow of business without undue fluctuation. Government plans for development in northern Canada including provision of new and improved airport facilities will make possible better air service and in some instances will permit lower rates. The introduction of tourist fares on the Pacific routes combined with peace in the Orient should introduce a period of trade progress and development. With relatively low fares to the Orient, the South Pacific and South America it is expected that an increasing number of Canadian businessmen will be exploring these markets.

* * *

William G. Miller

Executive Vice-President, Montreal Locomotive Works, Ltd.

We look for continued good business in 1954 although levels in some lines may be depressed somewhat, reflecting declines in capital expenditures by some of the process industries we supply. However, it is entirely possible that the slack here will be taken up by advances in other lines.

The railroads are expected to continue their dieselization programs, and locomotive orders already received will carry diesel production well into 1954. We will continue to encourage the growth of our diversification program, including the production of equipment for the petroleum, chemical, petrochemical, power, steel and other industries.

During the first half of the year we expect our employment to continue substantially on the same level as during 1953. While the outlook for the second half is less clear, we are hopeful that a good rate of output will be maintained.

* * *

Louis Michelin

Managing-director, Austin Motor Co. (Canada).

I see no reason to anticipate any falling off in general business conditions in 1954. Though there may be some ups and downs in certain industries, my guess is that the general volume of business will closely approximate that of 1953.

It seems to me probable that the automotive industry will do slightly less business in 1954 than in 1953, though sales volume will still be high. In so far as the Austin Motor Co. is concerned, we expect to do better in 1954 because our volume of sales was seriously reduced in 1953 as a result of a three-month strike at our factory during the better part of the selling season.

Automotive costs seem to have leveled off in recent months and in my opinion this trend is likely to continue through 1954 with little change. Similarly, we do not expect to see any significant change in prices during the coming year.

* * *

Hugh A. Martin

Executive Vice-President, Marwell Construction Co.

The year 1954 will be one of transition in the construction industry. Emphasis will swing from defense and industrial construction to public works, housing and Hydro-electric power development. This, of course, is a healthy trend from a long term economic point of view. The disturbing factors involved in this transitory stage are the woeful lack of planning and long term programming on the part of the federal and provincial departments of public works. This situation develops from the concept of shelving required public projects until they can be awarded in times of depression to act as a buffer. This policy is beginning to distort the economy and cause Canadians real hardship — i.e., congested highways and traffic arteries, desperate shortage of hospital beds, double shifting school classes, etc.

Shiny new automobiles are a source of frustration without well engineered highways. Television sets, washing machines and dish washers are incongruous in basement suites and remodeled 19th century mansions. This imbalance of standards of living must be corrected before the present rate of expansion of the construction industry can be assured.

The year 1954 will be one of severe competition in the construction industry because its potential capacity will only be utilized seventy per cent. Labor relations and wage scales will be peaceful and stable. Present levels of employment will drop marginally.

* * *

C. J. Morrow

President, National Sea Products Ltd.

I look for no drastic change in the level of business and employment in the coming year. It is natural to expect some soft spots and some slight falling off in volume after the big years this country has experienced.

The fish business, particularly the fresh and frozen branch, has already gone through a period of adjustment, brought about by the accumulation of heavy inventories of frozen fillets in the United States. The market there during most of 1953 was badly depressed, resulting in many of the fish processing companies operating at little or no profit, and, in some cases, at a loss. Inventories are now again down to normal, and, while competition will be very keen in 1954, I look for a steadier and more satisfactory market.

One of the big problems in the fishing industry in Nova Scotia today is production. Fish are scarcer on the offshore banks than a few years ago and it is becoming increasingly difficult to operate trawlers and vessels at a profit.

* * *

S. A. MacKay-Smith

President, Canadian Exporters' Association.

It is well known that Canada must export. Our export trade is still being carried largely through the sale of primary materials.

(Continued on page 13)

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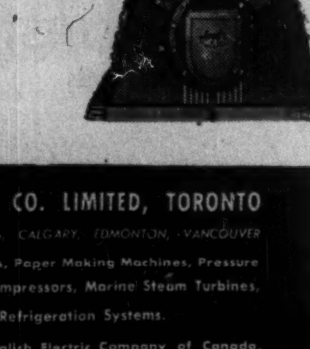

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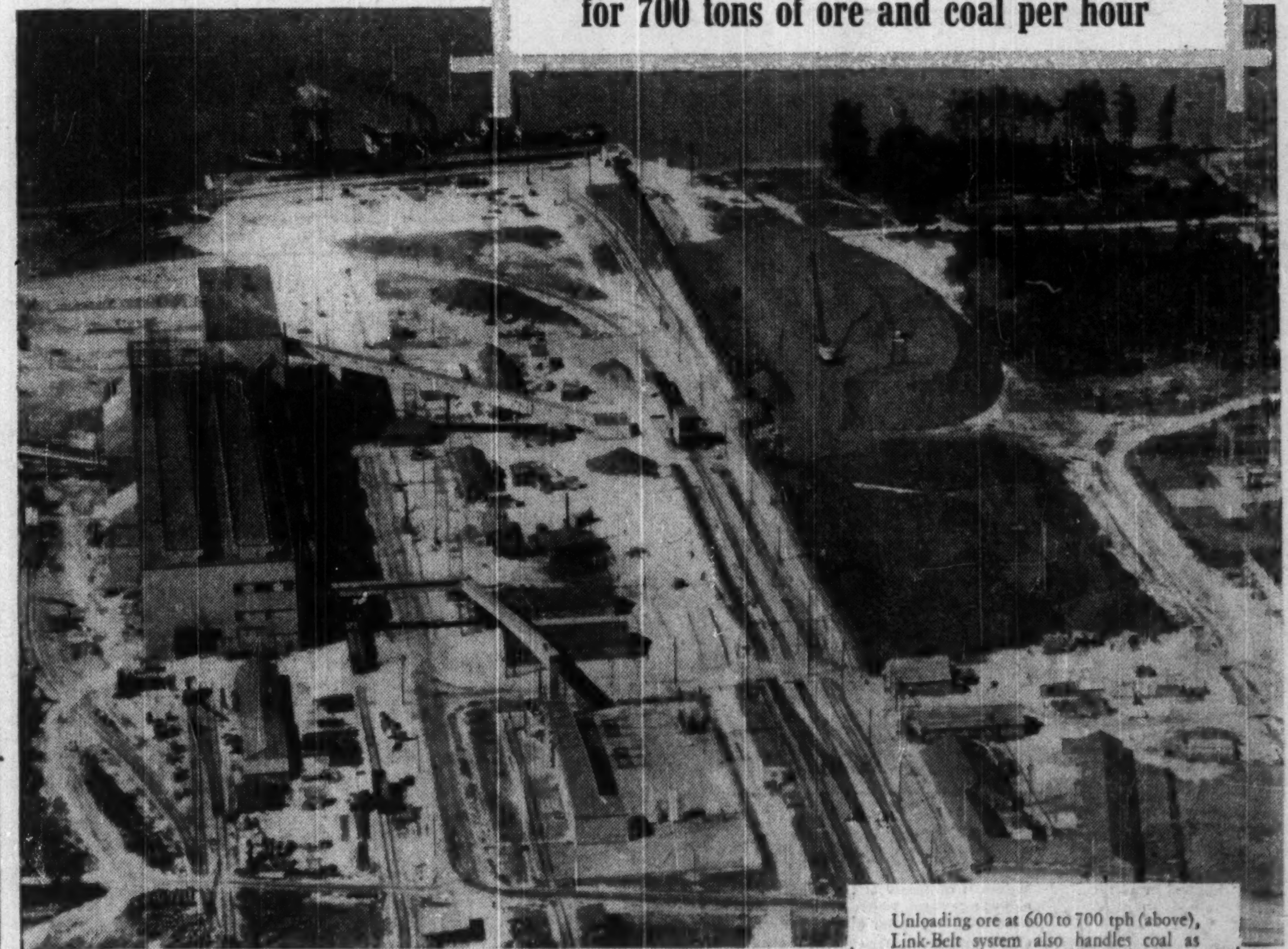

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How Business Leaders See The Outlook For 1954

(Continued from page 12)

However, the growth of Canada's industry since 1940 has been phenomenal, and it is doubtful if the Canadian economy alone, as it is today, can support its output. Naturally, the growth of Canada must be taken into consideration, but in the near future we must expand exports or, alternatively, curtail production.

It is my belief that, in general, Canadians do not appreciate that sound export markets need the same consistent care and development as is given to domestic markets. Sound export markets cannot be gained and held on an "in-and-out" basis. Certainly, there are many factors beyond the control of Canada now restricting our exports, but it is hoped that these barriers one day will be removed. Canadian companies should be working now in anticipation of that time, conducting basic research in potential export fields.

If this is not done, it will be too late and others will be in these markets ahead of us. We must become one of the most aggressive and imaginative exporting countries in the world.

* * *

K. L. Markon
President, Monarch Knitting Co.

The past year has been characterized by an intensified attempt on the part of foreign manufacturers to capture the Canadian textile market. This intensified attempt is likely to continue through 1954.

It should be noted there is no substantial decrease in the buying power of the Canadian consumer who, by and large, continues to purchase the same amount of textiles as heretofore. The question, therefore, is whether the Canadian textile industry is able to supply the home market, or whether the Canadian consumer will turn to imported goods.

The coming months will tax to the utmost the ingenuity of Canadian manufacturers who shall continue with further streamlining and modernizing the textile industry. Every effort will be made to further improve the styling, merchandising, and reduce production costs in order to enable Canada's textile industry to compete with foreign imports. Full understanding and co-operation on the part of organized labor in these efforts are essential if we are to succeed.

I am convinced that the Canadian manufacturer can satisfy most of the Canadian demand for textile goods, as far as styling and prices are concerned, provided the industry is allowed to compete on an equal footing with foreign manufacturers.

To make this equality possible, it will be necessary to examine and revise some of the current tariff regulations in order to protect the Canadian industry against imports of distress merchandise and goods from low-wage foreign competition.

* * *

W. A. Mather
President, Canadian Pacific Railway Co.

An increasingly competitive climate for business and industry, adjustment to which both in the domestic and export market is made more difficult by an increase in wages and salaries considerably higher than is justified by the rise in productive output, remains a significant and disquieting feature of the Canadian economy. The readiness with which Canadians adapt themselves to the changing economic conditions of intensified competition will determine, in large measure, whether the rate of expansion and development which has characterized the past 12 months, will be maintained throughout 1954.

These developments lend added urgency to the need for a national transportation policy according Canada's railways a fuller opportunity to respond to the conditions of intensified competition, unhampered by legislative and other restrictions inappropriate to present day conditions.

Public recognition of the fact that freedom to compete on equal terms is no less appropriate to rail transport than to other segments of the economy is essential if the railway industry's high level of capital investment is to be sustained and the growing transportation needs of the Canadian people adequately met.

* * *

J. K. Macdonald
President, Confederation Life Association.

The past year generally has been one of good business. Some industries, the textile and base metals, have experienced a readjustment which has been a drastic one. It is anticipated that further readjustments to normal competitive business conditions will take place during 1954. The successive large grain crops are presenting a difficult marketing problem.

However, it is considered that the impetus of our postwar expansion will continue through 1954 in view of the stable political conditions and the very promising long-term growth picture for Canada with its consequent high rate of capital investment, both domestic and from abroad. Business over-all should be as good or slightly better than in 1953. Sales of life insurance should again set a new high record in 1954.

* * *

A. H. Martin
President, Dominion Tar and Chemical Co.

My comments on the business outlook must necessarily be confined to two main categories: chemicals and construction materials.

In respect to construction, present indications are that the high volume of sales enjoyed in 1953 will be maintained during at least the first six months of 1954. Easing of mortgage regulations by Ottawa will no doubt encourage the maintenance of present high volume of housing starts—that is, the small and medium priced homes. However, there is some indication that industrial construction during 1954 may be at levels slightly below the extraordinary high peaks of 1953.

Major construction companies which, for several years now, needed some coaxing to take on a contract, are now pressing for business. It is also possible to get them to give firm bids on a project, whereas, until a few months ago, they would quote only on cost-plus basis or with escalator clauses.

In chemicals there is a strong indication of entering a very highly competitive market. During 1952 and 1953 the chemical industry spent tens of millions of dollars of capital outlay on plants to produce chemicals not heretofore produced in Canada. These large projects are now practically all completed and will be producing in the 1954 period. It means, of course, that the chemical industry is not likely in 1954 or ensuing years to make nearly the same capital outlay for new plant as they have in the last two years. Nevertheless, with the introduction of new products, there is every indication that the volume of sales in 1954 should be maintained at close to the 1953 levels and, conceivably, even exceed them.

Dollar volume of sales, however, is one thing, but the profit dollar is another. The chemical industry has been very conscious in respect of its pricing policy for many years now, and you will find that there has not been any runaway increase. As a matter of fact, a good number of chemicals produced in Canada are sold at prices lower than those quoted in the U. S. and U. K. home markets.

The same is not true of costs. In the last two or three years, the steady, and sometimes greatly accelerated rates of increases demanded by labor (and, as a net result, in the costs of raw materials going into manufacture) have substantially reduced profit margins to the point where, even with increased sales, it has not always been possible to maintain normal profit levels. This will be reflected in 1953 results, and no doubt accentuated further in 1954. Someone might say, "Well, why not increase prices?" To do this would have the effect of pricing many commodities out of the market.

Why?

The chemical industry is suffering at the present time as a result of the current tariff position. Many chemicals now made in Canada are still free of duty when entering this country from the U. S. and Great Britain. Any recession that might occur in those countries would immediately accentuate their desire to ship their surpluses into the Canadian market. If the Canadian chemical industry is to survive and expand, it requires reasonable and normal protection. The U. S. tariff on Canadian chemicals is completely prohibitive, and the U. K. and Commonwealth countries, due to a dollar shortage, are not in a position to do business with us. Canada can produce as cheaply as any other country, but in today's circumstances, must live off its own market, and cannot expect for some time to participate in world markets.

Yes, 1954 will be a good year, but it will be a more difficult matter to achieve these results than it has been in past years. Marketing, not production, will be the keynote.

(Continued on page 18)

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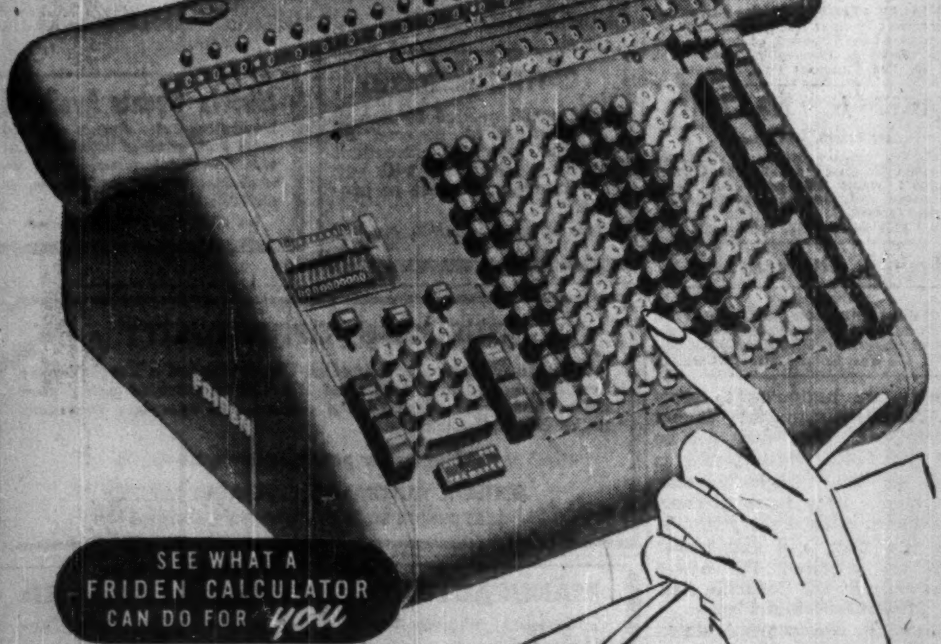

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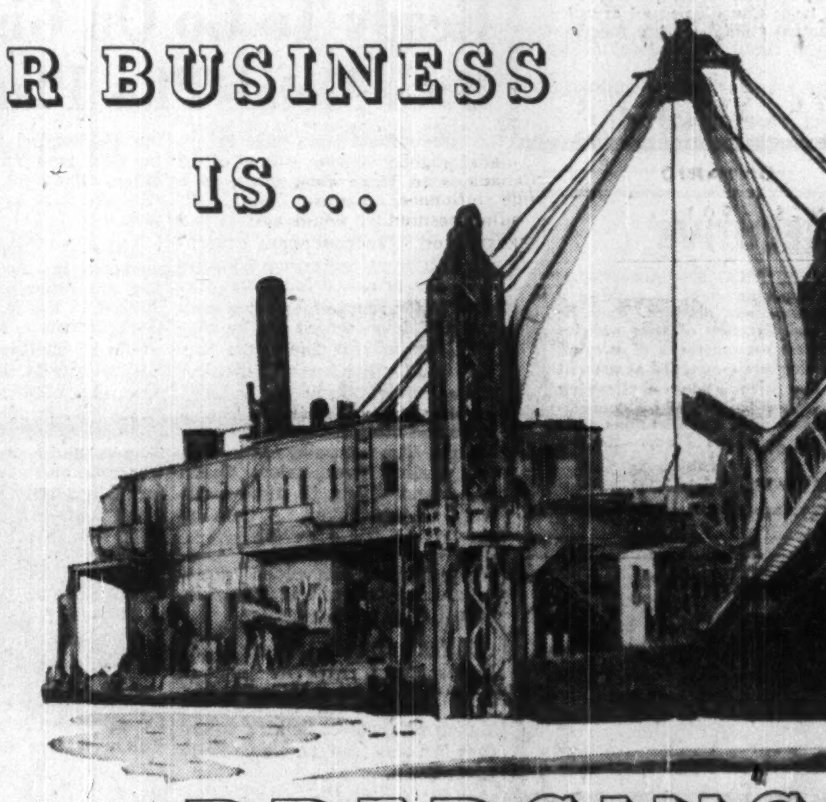

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Major Ontario Copper Strike

(Continued from page 1)

special interest to the mining industry in that there appear to be two major ore areas separated by a fault. This fault had previously been regarded as a possible westerly limit of indicated ore.

East of this fault a length of 1,400 ft. has now been drilled off. Assays available in this section have shown an average of about 9.5% zinc, 1% copper and 2.5 oz. silver over average width of 50 ft. or better. The management believes this average will apply to the entire 1,400 ft. This suggests an ore measure of close to 6,000 tons to the vertical foot. Possibilities are present in this one section alone of a mill of several thousand tons daily capacity. Deeper drilling is now being done.

To the west of the fault, only a few drill holes have been completed and the ore pattern has not completely emerged. But for copper intersection lengths, and grade of copper found by assaying, two of three holes are probably the best pulled anywhere in Ontario in recent years, outside of possibly Sudbury.

The first hole west of the fault gave 3.2% copper, 4.70% zinc and 2.12 oz. silver over "substantial widths." A second hole 239 feet west is stated by the management to "confirm the continuation of this good grade copper ore." It is believed that this second hole will prove better grade than the first. There is a 240-ft. offset to the south to the part of the ore zone west of the fault.

Only public participation in the project, at the moment, is through Consolidated Howey, whose shares pushed quickly through the $1 mark Tuesday.

Work so far has been carried on with only one drill but after the Christmas holiday period a second drill will be added.

A substantial staking boom has already occurred, spurred by the early easterly zinc-copper-silver-pyrite discovery. A width of seven miles has been staked for a length of 15 to 20 miles, it is reported. Among the companies with ground are Mining Corp. of Canada, Lun-Echo, MacLeod-Cockshutt, Consolidated Howey and Oklend.

Lun-Echo in which New Mosher holds almost a million shares of 1,750,000 issued, has made a discovery of its own which visitors in the area report to be 1,600 ft. long by 30 ft. wide. Mineralization is apparently similar to the Geco east discovery on basis of grab samples. The Lun-Echo field manager is scheduled to report out shortly when more detailed further confirmatory work re-information will be available. Other discoveries are reported made in the area.

If the Geco Mines occurrences continue to stand up — and much mains to be done — sufficient ore would probably be available to warrant smelting facilities as well as a concentrator. The property would presumably be not more than 30 or 40 miles distant from the proposed route of Trans-Canada Pipe Lines (Marathon Paper to the south is a potential gas customer). This opens up the possibility of using gas in either smelting or leaching operations.

In Very Brief

LAURENTIDE ACCEPTANCE CORP. net profit climbed 84.4% to $213,185 in year ended Oct. 31, from previous year's net of $115,640. Value of installments notes and contracts receivable rose by over $5 millions.

LAURA SECORD CANDY SHOPS LTD. earned $316,432 or $1.10 per share in the year ended Sept. 30, 1953, up 12% from $282,515 or 98c the year before.

MacMILLAN & BLOEDEL LTD. net profit in year ended Sept. 30, 1953, was $11,315,668 or $2.19 per Class B share, a drop of 18.1% from $13,818,340 or $2.68 the previous year. Selling prices of all products declined, while wages were boosted.

WESTERN CANADA BREWERIES LTD. net profit rose 41.6% to $1,586,117 or $2.48 a share in year ended Oct. 31, 1953, from $1,120,192 or $1.75 a share the year before. Modest increase in sales and reduction in operating costs are reported.

ROYAL BANK earned $8,635,136 or $2.47 a share in year ended Nov. 30, up 21% from $7,129,085 or $2.04 last year. Assets reached record high.

Ready To Go On Giant B.C. Metals-Plus Plan

(Continued from page 1)

and slightly shorter, tunnel offers a second large drop down to a point near the head of Taku Inlet; where another power station can be built. The first main generator will be no more than 25 miles from the proposed industrial site.

4. Water requirements for each stage of development can be supplied by moving the dams further and further north. If the first stage involves only Atlin Lake, another step will bring in Tagish Lake and other headwaters of the Yukon. The next stage is to dam the Teslin River below Teslin Lake, and divert its flow westward to the Yukon. A dam on the Yukon River at Whitehorse will turn all these waters back through Atlin and Sloko to the generating stations, and ultimately into the sea at Taku Inlet.

5. The next step is north to the Lewes River, after its junction with the Teslin; and in the last stage the dams will be down the Yukon below Fort Selkirk where they can also trap the whole Pelly River basin.

Thus eventually a large part of the river system of Yukon Territory will be flowing through the new generating stations to produce an estimated 4½ million horsepower.

A relatively early development in the whole scheme will be an electric smelter to serve the present and future Yukon mines such as Keno Hill. Their ore concentrates now have to be shipped out to Trail. The site might be at Atlin or Whitehorse. Power will be carried back from the original generating plant at the east end of Sloko Lake.

The industrial site planned for Tulsequah has one other essential requirement besides cheap power. That is access to deep water. Since the plant has to be in Canada, it is not easy to find a place where ocean ships can sail through the narrow strip of Alaskan territory and dock on Canadian soil. Barges can now get through Taku Inlet to Canadian territory, but not deep-sea vessels.

Two alternatives are under consideration. One is to provide a deep water channel at the end of the inlet by using the new rush of water to raise the level. The other is to build a road or rail or tramway to span the 12 miles between available deep-water docks and the plant site. The only concession required from the United States in this case would be the right to duty-free passage in transit over this short link, such as is now permitted over the White Pass and Yukon Railway from Skagway to the Canadian boundary at the top of the pass.

The idea of a "corridor" through the Panhandle, as suggested by the B. C. and Yukon Chamber of Mines (The Post, Dec. 12), is not regarded here as a practical solution.

Although Tulsequah now appears to be the most favorable site, one other possibility will be offered to the B. C. and Federal Governments as an alternative. It would be feasible to build the industrial site at the head of Alice Arm, about 300 miles to the south at the bottom end of the Alaskan Panhandle, where there is no difficulty about deep water. This would involve carrying the power for rather more than 300 miles over high-voltage transmission lines. But the new techniques developed since the war are believed to have made it quite possible to do this for distances as great as 800 miles without too great loss in transmission. A telegraph line already spans the route.

Aluminum Co. of America is reported still to be urging its plan for using the Northern B. C. and Yukon waters for an aluminum plant on U. S. territory at Skagway.

Ironing Out Gas Problems

(Continued from page 1)

rangement will be worked out with Union Gas Co. of Canada whereby that firm's extensive gas reserves in Southwestern Ontario would be used to help build up early market load, particularly in the potentially large Hamilton market area.

It appears almost certain now that storage capacity will ultimately play an important factor in successful operation of a Canadian transcontinental gas pipeline system. It is a mistake, however, the gas experts say, to think that storage is essential from the start. Every gas pipeline proposition has to be considered on its own economics. In some cases it might be better to sell all off-peak gas to industry on an interruptable basis rather than absorb the extra cost of pumping the gas into storage and back out again during the coming winter months. The extra storage costs could very well limit the size of the industrial market. Generally speaking, underground storage becomes essential only when demand is approaching the capacity operations in a pipeline.

Underground storage is helpful under the following conditions:

—Use of gas already in storage would be very helpful in building up a market prior to completion of a transcontinental pipeline system.

—Underground storage is essential to any operation where line capacity cannot handle the peak load requirements. Under these conditions storage gas would be drawn on and/or propane gas from standby equipment of utility companies.

—Underground storage is a second form of insurance against supply interruption from breakage, leaks, etc. The first form of insurance is the extra pipeline thicknesses in last sections of the line. Since this section would not likely leak or break, the gas contained in it would provide limited emergency supply.

Look For It Here

December 26, 1953

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There's Better Sailing Ahead

(Continued from page 1)

lar routes "of benefit to the development of Canadian trade" would have to be approved by the Department of Trade and Commerce. Trade Minister Howe has indicated that he will consider sympathetically any suggestions made to him by the shipowners.

This week he had a long discussion with M. F. Angus, president of the Canadian Shipowners Association; and Mr. Howe evidently feels there are a good many routes of such benefit to trade that subsidies might be considered for them. Proposals will have to come from the shipowners, not from the Government. Nothing like a considered Government approach to them has yet been thought out. But, under Mr. Howe's guidance, officials in the Trade and Commerce Departments are now beginning a serious study of the question.

2. The Government may soon relax its previous stand on newly-built or acquired ships so as to permit them, too, to be placed on U.K. registry. Under the policy announced last month (The Post, Nov. 21), owners were allowed to use their escrow funds to acquire new ships abroad. (Before that the escrow funds had to be used for building in Canada.) But the concession was of no use to the owners because the new ships were still required to operate on Canadian registry.

New Government View

This stand has still not been formally reversed. But The Post understands that the Government would now give sympathetic consideration to the idea of building new ships with escrow funds and putting them on U.K. registry, provided that they were still under the Canadian flag covenant and therefore subject to recall.

Both these developments open for Canadian shipping doors which the Cabinet slammed little more than a month ago. The announcement issued by Transport Minister Chevrier on Nov. 12 gave the Cabinet decision on nearly two years of study of the shipping problem. It gave the shipowners no relief.

The owners renewed their demand for complete freedom of restrictions. The Cabinet then took its first move to let them out of their impossible situation. This was to ask the U.K. to accept the remaining Canadian vessels on its registry, which it has now done.

But this can only be an interim solution. All the ships on U.K. registry are beginning to grow old. As things stand they cannot be replaced. They may not be sold off U.K. registry—that is part of the Anglo-Canadian agreement. They have to come back to Canadian registry first. If they are then sold and newer ships are acquired, the newer ships must fly the Canadian flag.

Modernization of Fleet

One of the Government's stated objectives, however, is to modernize the Canadian merchant fleet. If any basis can be worked out for subsidized trade routes, it will be a condition that the ships shall be modern and efficient. But there are no modern and efficient Canadian ships in existence; and there are not likely to be so long as only old ships can be placed on the U.K. registry.

The faint chance of long-term survival for the Canadian ocean-going fleet which shipowners now begin to see depends on two things:

—Permission to use escrow funds to get new ships in the best market. This has already been granted.

—Permission to operate those new ships where they can be operated economically: and this means, either on U.K. registry or on approved Canadian trade routes with an adequate subsidy.

These last moves, which have so far been denied, now begin to seem possible. They would apply equally to the owners who transferred to the U.K. years ago (which is the majority) and to those who are only now being let out of the squeeze in which they have latterly found themselves. They will be under intensive study by the industry in the next few weeks.

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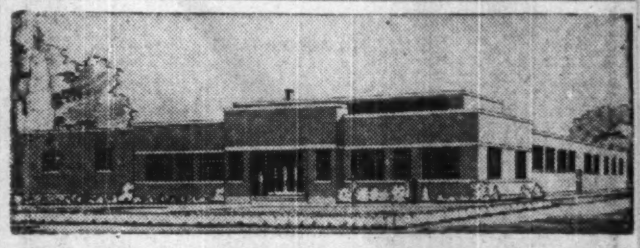

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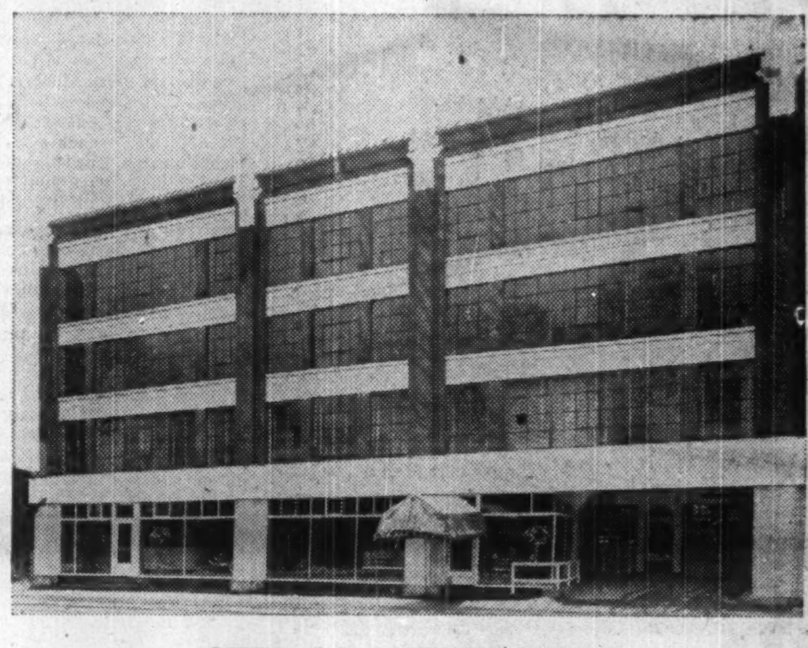

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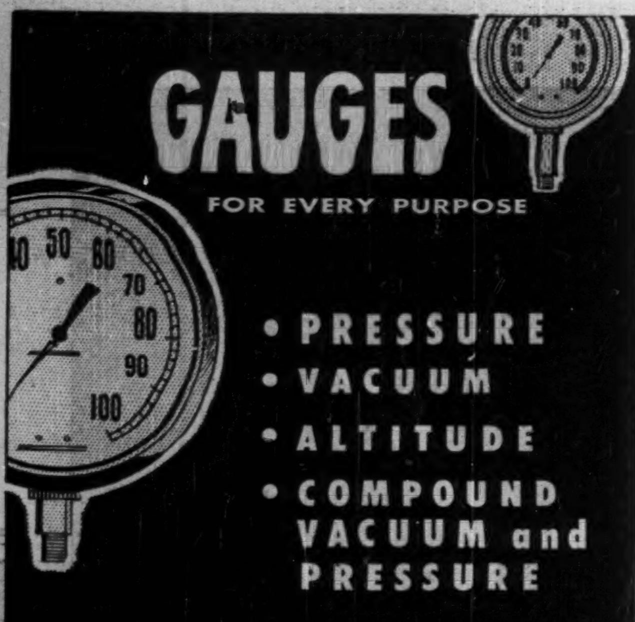

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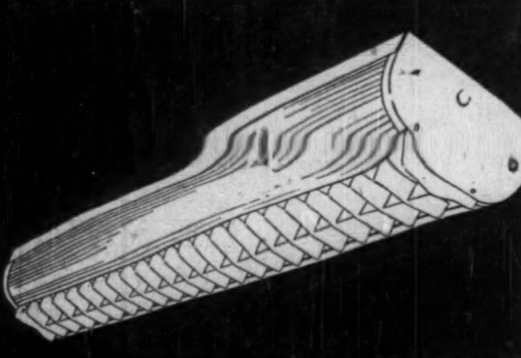

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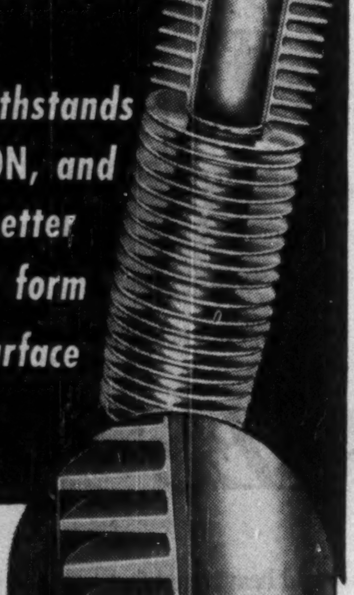

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Trend of Business

Gross national product running at annual rate of $24.2 billions in third quarter, about same as in second quarter, after seasonal adjustment. Bit higher than first quarter though. Consumer spending leveled off somewhat and investment strengthened. Gap between exports of goods and services and imports of goods and services narrowed with slight decline in imports, after seasonal adjustment.

Personal expenditure on consumer goods and services, seasonally adjusted, at annual rate of $14.9 billions in third quarter. About the same as second quarter. But there has been a shift to spending on durable goods, up 10% above third quarter last year, and decrease in spending on nondurables, down 2%. In first nine months, total consumer expenditures up 6% in both value and volume from same period last year.

Corporation profits down in third quarter from second quarter this year, after seasonal factors taken into account. Caused drop in all investment income to $3.5 billions in third quarter from $3.8 billions in second quarter (seasonally adjusted annual rates).

Housing units completed this year to Nov. 1 number 74,516, up from 56,295 units in same period last year. Starts so far this year 89,978 units, up from 71,850. Units under construction, 71,340, compared with 59,334.

Construction boom also shows plainly in 5% increase in expenditure on nonresidential construction in first three quarters, compared same period last year. Total is $1.1 billion to Oct. 1.

Budgetary deficit at Ottawa this fiscal year to Dec. 1 is $275.1 millions, down from deficit of $291.9 millions for same time last year. Both revenues and expenditures are up, but revenues up more. Deficit in November was $9 millions compared with only $3.9 millions that month last year.

Savings deposits only 1% above last year at Oct. 31, as result of Government savings bond drive. They dropped from end of September though unchanged through same period last year.

Old age pension is nearer to paying for itself. Excess of payments over receipts from 2% sales tax, 2% individual income tax and 2% corporation tax is $37.5 millions this fiscal year to Dec. 1. Compares with deficit of $89 millions for same period last year. Actual payments to oldsters are up, but so are tax receipts from all three sources.

Newsprint industry this year to Dec. 1 has operated at average of 99.9% of capacity, compared with 103.2% for all of last year.

Hotels took in 10% more money last year, final figures now show. About 52% of revenue is from beverages, 23% from room rents, meals, 17%, other sources 8% — much the same pattern as before.

Major Weekly Indicators

	Latest Week	Week Ago	Month Ago	Year Ago
Department store sales (% ch. from year earlier)	....	+0.6%	+3%	+5%
Carloadings, total	74,502	91,950†	79,485	83,547
Eastern Canada (cars)	45,509	56,559†	49,252	52,237
Western Canada (cars)	28,993	35,391†	30,233	31,710
Iron & steel products (cars)	1,379	1,717†	1,424	1,864
Ores, concentrates (cars)	2,260	3,562†	3,464	3,045
Base metals (cars)	545	540†	538	611
Lumber, timber, plywood (cars)	3,309	3,906†	3,727	3,863
Cement (cars)	764	1,298	925	775
Motor vehicle prod. (units)	7,550	7,438	3,920	6,912
Bus. failures 4-wk. moving av. (No.)	32	28	26.8	19.5
Bank of Canada holdings of securities ($ millions)	2,309	2,307	2,276	2,183
Short term governments ($ millions)	1,392	1,396	1,376	1,411
Long term governments ($ millions)	890	894	892	759
Other securities ($ millions)	17	17	17	12
Canadian dollar (U.S. cents average)	102.940	102.689	102.367	103.033
T.S.E. industrials index	312.04	310.13	306.55	318.99
Montreal ($ millions)	465	418	482	513
Toronto ($ millions)	548	450	543	509

†Nine-day month-end period.

Facts by the Month

	Latest Month	Month Ago	Two Mos. Ago	Year Ago
WHAT WE PRODUCE—				
In all industries (Index)	255.0	248.2	247.0	244.1
In factories (Index)	267.9	261.7	258.4	256.5
Total nondurable goods (Index)	234.4	230.2	219.5	224.9
Food & bev. (Index)	250.8	254.8	249.2	246.0
Textiles (Index)	192.6	166.4	145.7	186.7
Clothing (Index)	169.9	161.9	152.5	166.3
Chemical products (Index)	284.9	285.8	282.3	273.8
Total durable goods (Index)	320.3	311.1	319.3	306.0
Iron & steel products (Index)	278.4	277.0	271.8	292.8
Primary iron & steel (Index)	305.9	294.9	287.3	299.3
From mines (Index)	210.1	200.8	206.5	197.5
Metals (Index)	114.4	110.9	118.2	119.0
Nonferrous smelting, refining (Index)	226.5	226.6	227.6	206.4
Gold (Index)	96.6	91.8	102.9	110.9
—From farms				
Hogs graded (000)	444	395	385	663
Cattle delivered (000)	194	180	195	164
Flour (Index)	142.6	116.5	148.4	174.0
—From sea				
E. Coast catch ($000)	1,551	2,571	3,466	1,834
W. Coast catch ($000)	3,267	4,069	6,225	1,627
—From forests				
▪Newsprint (000 tons)	473	511	467	463
Pulp (000 tons)	799	726	740	768
—In powerhouses				
Electricity (Index) (seasonally adjusted)	241.8	243.0	254.7	237.3
WHAT WE SELL—				
Retail sales ($ millions)	997	1,014	1,045	968
Dept. store sales ($ millions)	97	87	70	99
General store ($ millions)	46	49	50	47
Wholesale sales (value) (Index)	400.4	409.5	370.0	414.3
Pass. car sales (units)	24,822	22,500	22,016	24,444
WHAT'S ON HAND—				
Mfrs. inventories (value) (Index)	189.1	190.0	187.0	181.3
Dept. store stock/sales ratio	2.6	2.9	3.2	2.1
SPENDING, SAVING POWER—				
▪Labor income ($ millions)	1,012	993	986	931
Dividend payments (Index) (annual rate)	245.0	246.7	246.6	243.2
JOBS—				
Employment (Index)	193.1	192.2	191.2	190.6
Mfg. employment (Index)	204.4	202.9	203.5	198.5
BUILDING—				
Contract awards ($ millions)	158	244	209	153
FOREIGN TRADE—				
Exports ($ millions)	348	373	347	379
Imports ($ millions)	362	344	345	376
MONEY—				
▪**Money supply ($ millions)**	5,197	5,236	5,157	5,143
Cheques cashed ($ millions)	11,936	10,446	10,057	11,279
▪Savings deposits ($ millions)	5,148	5,226	5,206	4,901
▪Current public loans ($ millions)	3,718	3,648	3,621	3,096
Life insurance sales ($ millions)	225	225	188	219
PRICES—				
Consumer price (Index)	116.2	116.7	116.2	116.1

Index bases: production, wholesale sales 1935-39=100; employment, payrolls, 1939=100; manufacturers inventories, 1947 average=100; consumer price index, 1949=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	329	285	3,114	+13
Primary copper (000 tons)	19.6	21.6	199	+3
Nickel (000 tons)	12.0	11.0	106	+0.3
Cement (000 bbl.)	1,923	1,612	16,642	+23
Lumber (million fbm)	603	674	5,790	+8
Exports (million fbm)	306	236	2,249	+4

▪New item this week.

Date for your file: The Financial Post, December 26, 1953.

Ont., Detroit In New Power Link

Completion of connecting power lines between Ontario Hydro-Electric Power Commission and Detroit Edison Co. was marked last week by a ceremony at Marysville, Mich., across the St. Clair River from Sarnia. The lines will make possible interchange of power between the two utilities.

A total of about 300,000 kilowatts can be transmitted on the two lines, about three-quarters of the 60-cycle capacity of Hydro's new fuel electric station in Toronto. Since the U. S. company is a fuel-electric system and Ontario is hydro-electric, neither will be entirely dependent on one type of power generation.

Ontario Hydro is already connected under similar arrangements with power systems in Quebec and in the state of New York.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.25	$19.37	$23.49
Hogs	32.10	31.60	25.60
Copper, lb.	.29	.29½	.24½
Sugar, raw, lb.	.0545	.0550	.0550
Coffee, lb.	.61¼	.61	.53¼
Hides	.15	.15½	.18½
Weekly Indices			
Dow Jones	163.09	162.99	171.24
U. S. Labor	110.1	110.1	109.3
Monthly Indices			
Retail (Nov.)†	116.2	116.7	116.1
W'sale (Oct.)	220.7	221.5	221.0
U. S. (Sept.)*	111.0	110.6	111.7
Gt. Brit. (Aug.)	326.7	329.3	325.0

Note: †Cost-of-Living Index revised to the Base of 1949=100.

*New series based on 1947-49=100.

Base of price of quotations is as follows: Cattle—Steers, good up to 1,000 lb. top price Toronto. Copper-electrotype, New York. Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f.

Bond Redemptions

Bond Issues:	Rate	Year	Cal.	Price
▲Interprovincial Pipe Line	3½%	'70	Jan. 1	*$101.54

*Plus accrued interest.
▲$287,000.

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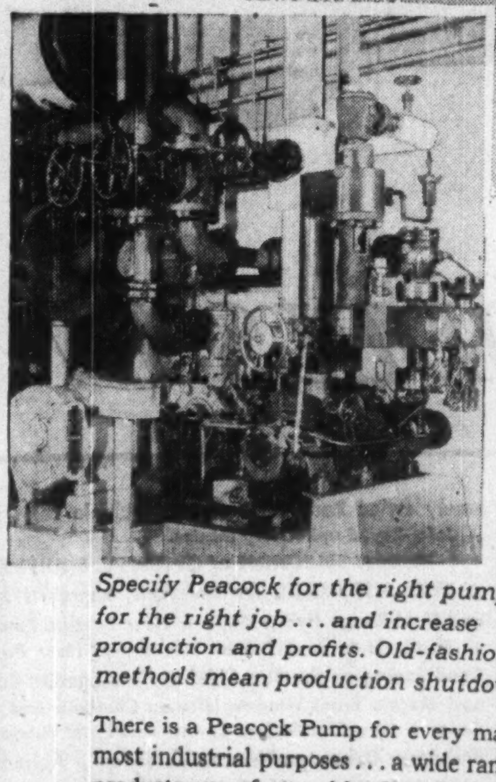

Weir Electrofeeder with Weir Turbo-Feed pump as standby at Melchers Distillery, Berthierville, P.Q. In the event of power failure the Turbo Feed cuts in automatically without prior heating and adjusts itself to the required load within seconds. Each is capable of delivering 7,000 imp. gals. per hour against 175 p.s.i.g.

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1954 PONTIAC

The Shining Star Designed to Rise Even Higher in Public Favor

Illustrated: Laurentian Sport Coupe

31 MODELS IN 6 GREAT SERIES

★ World's smoothest, most dependable six Cylinder Engine with Increased Compression Ratio for greater efficiency ★ New Aluminum dipped heat treated valves ★ Automatic all-weather Engine Temperature Control ★ Automatic Choke ★ Amazing new Resonant-tone muffler on Pathfinder and Laurentian Series ★ 100% full pressure metered flow lubrication, fullflow built-in permanent oil cleaner ★ Scotch Mist Manifold ★ Rifle drilled connecting rods ★ Also the Famous Pontiac Eight Cylinder Engine with increased Horsepower ★ Three separate chassis with three different wheelbases ★ Introducing a brilliant new series: "Star Chief" ★ Famous newly styled Body by Fisher ★ Multiple color preference ★ Color-keyed upholstery fabrics.

WIDEST SELECTION of OPTIONAL EQUIPMENT*

★ TWO AUTOMATIC Transmissions, Improved Powerglide and Dual-Range Hydra-Matic ★ New Pontiac Power Brakes ★ Pontiac's famous Power Steering ★ New Pontiac Air-Conditioning on the Star Chief ★ New Comfort Control Seat and Electric Front Window-Lifts on Chieftain and Star Chief Series ★ New Electric Seat Control and Front Window Lifts on Pathfinder Deluxe and Laurentian Series ★ Autronic Eye for night-time safety ★ Shade-Lite Safety Glass with graduated-tint windshield.

P-554

* At extra cost

Pontiac has a wonderful measure of out-of-this-world beauty and features for 1954. Truly, it is motordom's shining star—the star that will rise higher and higher in public favor as its masterful performance becomes known—as its sleek beauty becomes seen in the city and on the highway. *BECAUSE* : : :

If you want to be the *proudest driver* in the neighborhood, you *can be* with 1954 Pontiac's exquisite styling and dramatic colors. If you want *big car prestige,* you *can have it* with the famous Pontiac reputation, the powerful 1954 six- or eight-cylinder L-head engines, and tasteful, luxurious appointments.

If you want *economical* driving, you *can have that too* with 1954 Pontiac's low price—its amazing engine efficiency, and its forthright dependability.

Whatever you look for in a car, you'll find your heart's delight in one or more of 1954 Pontiac's 31 brilliant models in six great series . . . *Pathfinder, Pathfinder Deluxe, Laurentian, Chieftain Special, Chieftain Deluxe* and the great new *Star Chief.*

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The Financial Post

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Here's Your Business Forecast For 1954

The Financial Post Report On Outlook By Industries, Commodities, Services

What's ahead for business? Post staff writers take a searching look and come up with some important answers for the broad range of Canadian industry and commerce as Canada enters the new year with varied economic forces at work at home and abroad. Here, in capsule form, are their reports:

On the Strategic Front

DEFENSE PROGRAM—At the same over-all level of expenditure as last year, there will be some change in emphasis in 1954 defense program. Cost of maintaining existing forces grows each year as the services themselves grow and as they get new equipment. Proportion spent on maintenance will be higher, at the expense of expenditure on new procurement. Construction also will be lower in 1954, though a new element will be introduced with the surveys and preparations for new northern detection devices.

* * *

STEEL—Period of shortages over. Industry has moved quickly into a period of competition in all lines but particularly with European producers in finished lines (nails, bolts, etc.). Over-all, industry looking for a slight drop in production but not beyond 10% and mostly in finished lines. Competition in heavy lines from European and Japanese suppliers to be felt particularly in coastal areas. Prices of raw materials expected to hold fairly steady though labor may go up slightly. There seems to be a definite prospect of some labor trouble and the industry sees this as one of the big problems in 1954: unions will be after more money following stalemated negotiations this year on demands for an 8½c hourly wage boost (about a 6% increase) while companies will be striving to keep costs down to meet competition. There will also be efforts to pare costs by improved mill efficiency.

* * *

ALUMINUM—Large contracts, plus demand from other customers should again absorb all the aluminum Canada can produce in 1954. With first stage of Kitimat scheduled for completion by midyear, production will likely show a gain of 8%-10% over 1953 which, in turn, was up some 8% from 1952. Alcan's primary capacity will total about 580,000 metric tons annually when the first stage of Kitimat is finished. Unless a decision is made to go ahead with further enlargement immediately at Kitimat, Alcan's major expansion program will be pretty well completed by mid-year and capital expenditures will thus be down considerably from 1953.

* * *

CHEMICALS—All signs point to stepped-up competition both from within and outside the country. Competition from Europe particularly is expected to be increased sharply once navigation season opens again next spring.

Industry just now coming to the end of its unprecedented postwar expansion drive. There is expected to be a lull on new capital expenditure programs for two years or so while markets catch up to expanded plant capacities. Current productive capacity in many items such as formaldehyde, pentaerythritol, acetone, is considerably beyond domestic market requirements. Hopes for export clouded.

No indication of any major price changes. Most likely direction would be down; this is particularly true of commercial fertilizers, alcohols, glycols. Sharpening competition bound to come from new plant capacity just now coming into production could force moderately lower prices in some hard-pressed lines. But the decline would be more apt to represent pared profit margins rather than lower operating costs.

* * *

AIRCRAFT — Defense spending at 1953 level to continue. In 1953 it's estimated the industry will have grossed $300 million plus mostly from defense contracts—payments on over $504 millions of work let in 1952.

To make up the loss of any new defense orders from U. S. because of a cutback in defense spending there, is possibility of Mutual Aid Aircraft orders for NATO. Major industries—Canadair, A. V. Roe, de Havilland and Canadian Car & Foundry have all sufficient orders to take them through the coming year at near-capacity production. There may be, however, continuing cutbacks in component and parts manufacturing programs.

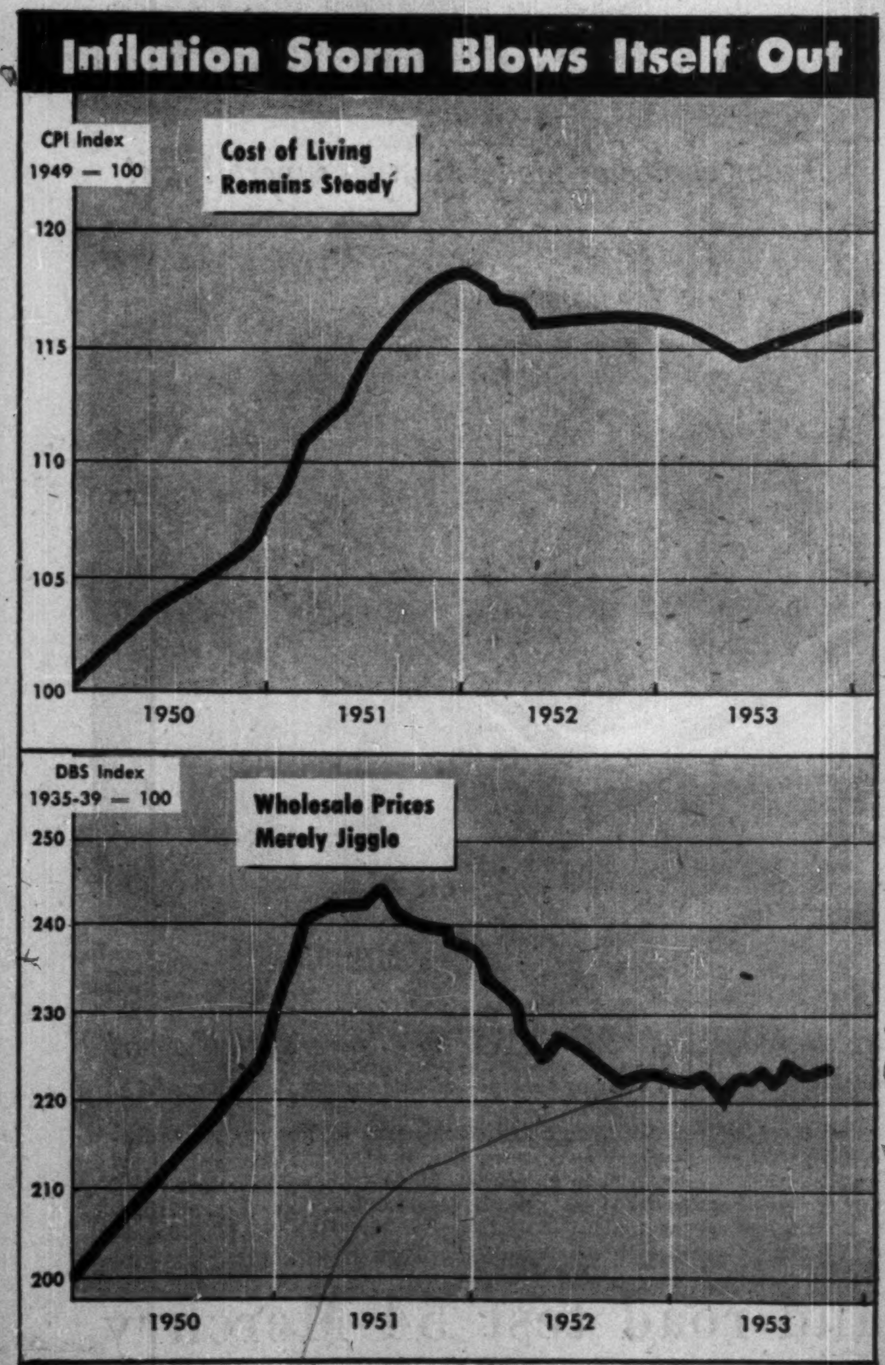
No shortages of materials plus a slight easing from the peak employment pattern of 1952-53 promise to keep both material costs and wages stable.

* * *

SHIPBUILDING—1954 will be peak year, Government's $286 million naval buildup, with the large ocean yards who share the orders doing better business than in any year since the war. The smaller, Great Lakes yards, on the other hand, face a bleak outlook, with no orders now in sight after present work is finished in spring. Present total Canadian employment of 19,000 may drop in the last quarter of the year, as RCN orders are completed. All Canadian shipbuilders will then face a very serious situation, as almost nothing is now on the horizon to replace the navy contracts. There are no export orders and with the current financial troubles of the Canadian merchant marine, no Canadian deepsea ship orders are likely. Further diversification of shipyard facilities into heavy industrial engineering work will take place at some of the East Coast yards.

* * *

BUILDING MATERIALS — More cement supplies again this year. Serious shortages will be fewer, though some regions such as Prairies may feel pinch again. (New capacity in Manitoba won't be finished for next season). Good supply of structural steel. Lumber plentiful again, with prices lower than this year. A somewhat better year for the buyer of building materials, as long as new housing legislation, which may produce surprises in its effects, doesn't zoom housing through the roof. No effect by Seaway even if started next year.



Consumer Goods

RETAILING in '54 will be in an up and down position. Key men figure it could be up by 3% or down by 3%, and they won't venture any further. If any segment of the trade makes any gains, within that 6% leeway, the bets are on soft goods. Generally, other sales should follow the '53 pattern pretty closely. If any one trend shapes up in '54 it will be a stabilizing of consumer credit, believed to have reached its peak. Expected new buoyancy for soft goods will reflect tougher times for the hard goods, particularly the heavy durables. Next year's basic problem will be a nation-wide thorn: "creeping costs." Retailers see a too-heavy municipal tax burden loaded on downtown merchants to pay for new facilities in the suburbs.

* * *

AUTOS—Following a year of record production (expected to hit 490,000 vehicles compared with the 1952 record of 433,000) automotive industry is counting on maintaining the pace in 1954, though there is a chance of a 5% cutback. If there is a drop in production, it is expected for some of the small independents (Nash, Packard) rather than the Big Four producers (Chrysler, Ford, General Motors and Studebaker) who will go all out in an intensified sales race. No substantial price changes are anticipated.

Only new expansion plans expected will come from Studebaker and these will be small in relation to the whole industry (Studebaker production is roughly 3% of total). Only substantial increase in costs anticipated might come from labor, either through higher pay in supplier firms which would slightly increase cost of component parts or in increased fringe benefits to auto workers.

With production to be sustained, it seems unlikely that employment will vary more than 2% to 3%. Biggest problem facing the industry in 1954 is selling: 10% discount on new cars may become fairly common.

* * *

APPLIANCES—No cinch for the appliance manufacturers, particularly the "white ware" men. Many have been caught in overproduction. The early New Year may see sizeable lay-offs while manufacturers try to move inventories. But industry should pick up again before mid-year.

Keys to profits will be in streamlining, reorganizing, and in more competitive sales techniques. Gains will be felt in "new" products, such as home air conditioners, dishwashers and clothes driers. New construction will give some boosts to stoves, fridges and washing machines, but replacement sales will be slow.

Small appliances (kitchen equipment) will remain much the same as in '53. An expected leveling-off in consumer credit, as the disposable income is snapped up, will be the industry's big problem in '54. Too many people bought too much this year, and their income won't be free again until '55 or later.

* * *

TV-RADIO—TV production for '54 will be up by 20%, and radio up by 15%. In fact, 1954 will be a very healthy year for Canada's electronics industry, which is heading towards the $500 millions mark. TV stations opening in new areas, rising radio sales, continuing defense orders—they're the reasons given by key spokesmen.

(Canada will have seven TV stations Jan. 1, '54; on Jan. 1, '55 she will have about 20. Saturation isn't in sight anywhere. Most happily, statistics show that radio sales are heaviest in TV areas). The shaky U. S. TV picture, brought about by slow replacement buying, has no counterpart in the Canadian scene. Employment is high, and the experts say it will stay there. New companies (at least two of them) are preparing to leap into the TV swim, and pundits are predicting growth of independent parts manufacturers.

* * *

COTTONS—Outlook still uncertain and producers are entering the New Year with nothing more concrete than hopes. Consumer demand expected to remain at generally high level and the trend of business will therefore continue to depend on volume of imports. This, in turn, hinges largely on business conditions in the U. S. and effects of the new anti-dumping legislation.

Cotton textiles are currently selling 15%-20% below a year ago due to stiff competition, and many firms are operating at a loss. Prices will likely remain depressed for early 1954 anyway but whenever business improves there are bound to be increases. Employment now ranging about 10% below a year ago. Short-time operations general. Inventories at the mill level are quite heavy. Raw cotton prices will likely remain steady for the next few months anyway.

* * *

WOOLENS—Prospects for at least the first quarter appear poor, with the industry operating well below normal. Business may improve later, but sales are continuing on a hand-to-mouth basis, imports from the U. K. at low prices are continuing at a high level and producers are wary of making predictions very far ahead. Raw wool prices are generally firm, with few indications of softening. Prices of woolens and worsteds should show little change for early part of 1954 anyway. Employment currently running about 25% below a year ago.

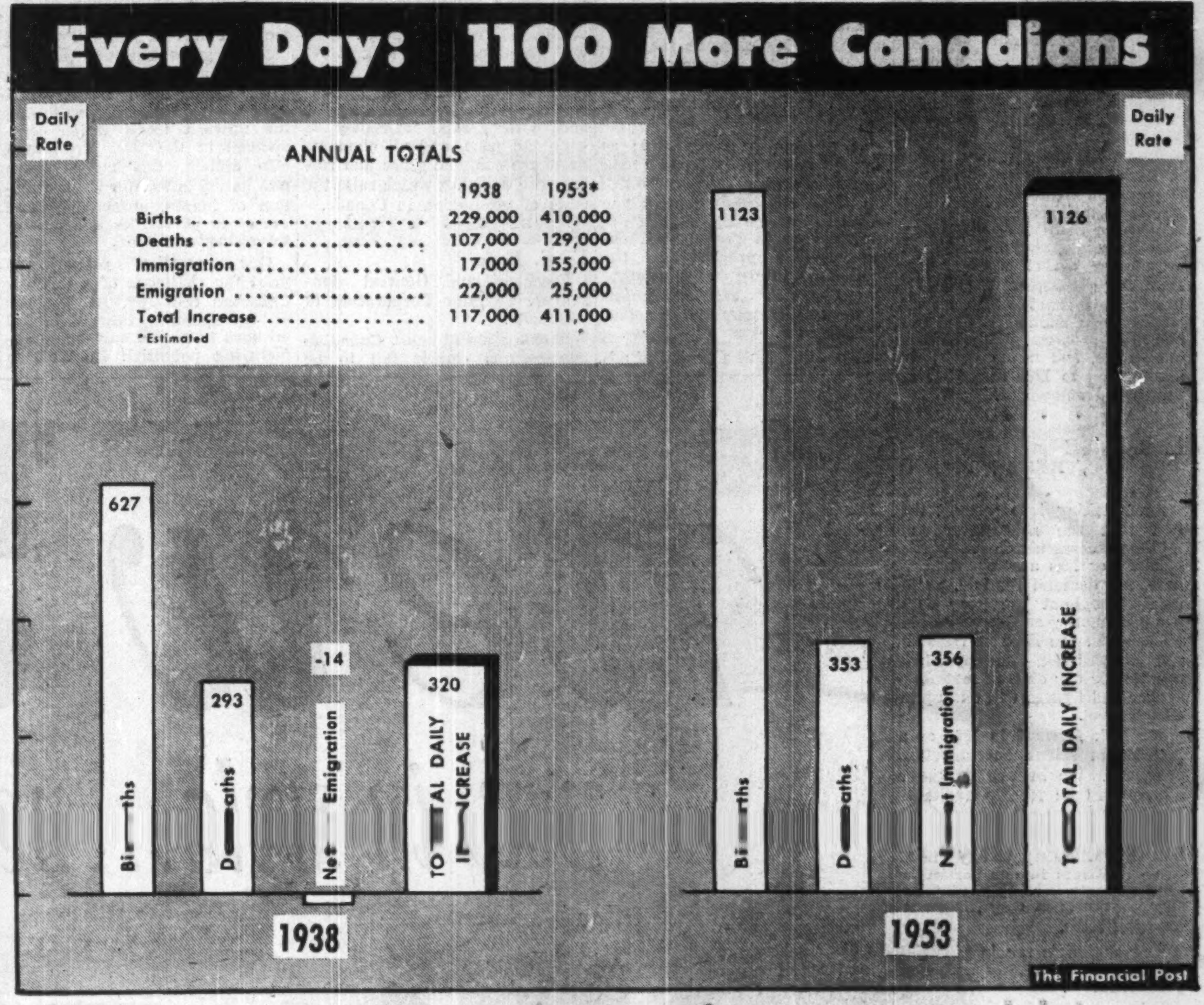
* * *

SYNTHETICS—Prospects much the same as in other sections of the primary textile industry: consumer demand should remain high but heavy imports from U. S. may keep Canadian producers operating at well-below capacity, with profit margins thin. The new anti-dumping legislation should prove a help, but just how much will take some time yet to judge.

Inventories of yarn and staple fibre, with the possible exception of nylon, have risen to high levels and forward placing is light. A feature in this phase of the synthetics business is Canada's acetate rayon productive capacity, now far above domestic requirements as a result of the new Edmonton plant. This should tend to keep both acetate and viscose yarn and fibre prices down in 1954 (they were cut substantially this year) and competition for business will remain very keen.

* * *

CLOTHING—Based on the probability that consumer purchasing power will be quite well maintained, and that the anti-dumping legislation will help curtail imports of made-up U. S. goods, prospects fairly good. Full-fashioned hosiery mills are busy, although competition is still keen and prices quite low. In women's wear, garment makers are hopeful, prices could increase somewhat next year if business is better. On the other hand, some firms may prefer to leave them unchanged and increase profits simply by selling more and getting longer more economical production runs.



Mines and Oils

WESTERN OILS—Expenditures on oil exploration and development expected to continue close to $330 million estimated rate for 1953. Discovery of large new oil fields late in 1953, plus prospect of large-scale export of gas from Alberta, expected to assist in maintaining high level activity. Wellhead price for oil expected to stay about same or to decrease slightly.

Developed oil productive capacity now about 345,0000 bbls. daily in Western Canada. Oil produced and marketed in 1954 is expected to exceed 100 million bbls. against about 80 million bbls. marketed in 1953.

* * *

NATURAL GAS—With Alberta announcing early in December a surplus of 3.5 trillion cu. ft. available for export to Eastern Canada, prospects bright for finalization of plans for gas pipeline to Eastern Canada (with Minneapolis area branch) in 1954. Only FPC approval in U. S. now necessary for work to get under way on Westcoast Transmission project for piping gas from B. C.-Alberta Peace River to Vancouver and Pacific Northwest of United States. This approval is expected early in coming year.

Alberta surplus of 3.5 trillion cu. ft. of gas is more than sufficient for proposed Eastern export and gas surplus is expected to be increased to 5.0 trillion cu. ft. by the time any line is completed.

Continued outlining of gas reserves at a rapid rate appears likely in 1954 particularly now gas exports are expected to provide fairly early markets for growing reserves. Continued growth of petrochemical industries based on both gas and oil anticipated.

Final decision on actual construction timetable for a trans-Canada natural gas pipeline expected soon. At the moment, independent market surveys are being rushed to completion in Ontario. They indicate a huge industrial market potential here—much larger than had at first been indicated. This could ease the whole formidable financing problem very much over the months ahead. It looks almost certain, however, that in any successful West-East gas line project that the Eastern market must be built up first from other sources in anticipation of eventual delivery of Prairie gas. There is a good chance that Consumers' Gas Co. of Toronto will be permitted to import U. S. gas into the big Toronto market area for three years. This program could get under way very soon if a satisfactory arrangement can be worked out with Ottawa and the U. S. supplying company.

* * *

BASE METALS is for a high level of capital expenditures but a widely varying market outlook. For nickel, iron ore and copper, a market will likely exist at good prices, although the price of copper may be shaded somewhat. For lead and zinc, existing relatively low price levels will probably continue for part of the first half; output has been slow to contract in face of lower prices.

Iron ore will flow from Labrador, Marmora. Nickel output should be higher with Lynn Lake in production and larger output slated from Sudbury. Uranium output expected to be nearly double that of 1953 with Ace mine of Eldorado recording full year of output.

* * *

GOLD—Another lean year in prospect. Months likely to elapse before production back to normal at leading Porcupine camp even when strike settled. With only one new property, Chibougamau Explorers, considering production, and no expansion programs in progress, output will do well to hold own in 1954. Disappearance of premium gold markets and continued tendency of labor and other costs to rise are unfavorable factors.

* * *

OIL REFINING — Industry generally is budgeting for higher output, about an average 8%. At the same time companies anticipate sharpening competition. Completion of the oil line to the west coast and continuation of the Interprovincial line to Sarnia expands market potentials considerably but at the same time it renders the domestic industry much more vulnerable to world oil picture.

Food and Farming

WHEAT—Prairie farmers will not have as large a net income in 1954 as they had in 1953. But it is not expected that they will be seriously short of cash. Record run of incomes

(Continued on page 22)

Make Your Own '54 Forecast

Here's Economic Canada Last Year And Today
Write In Your Own Forecast And Clip

	1952	1953 (est)	1954 (Your Estimate)
Growth Indicators			
Gross National Product ($ billions)	23.0	24.2	....
Exports ($ millions)	4,301	4,120	....
Imports ($ millions)	4,031	4,287	....
Total Investment ($ billions)	5,122	5,564	....
Construction Contracts ($ millions)	1,812	1,870	....
Labor Force (thousands)	5,304	5,430	....
Electricity (million kwh)	61,786	65,000	....
Carloadings (million tons)	125	121	....
Basic Industries			
Steel (million tons)	3.7	4.2	....
Pig iron (million tons)	2.7	3.0	....
Coal (thousand tons)	17,579	15,400	....
Petroleum (bbl. per day)	168,000	225,000	....
Rubber, synthetic (million lb.)	166	175	....
Newsprint (thousand tons)	5,687	5,725	....
Lumber (billion bd. ft.)	6.8	7	....
Sea Fisheries (million lb.)	1,175	1,100	....
Metal Production			
Gold (thou. fine oz.)	4,472	4,000	....
Silver (thou. fine oz.)	25,178	28,000	....
Copper (thousand lb.)	517,736	515,000	....
Nickel (thousand lb.)	280,013	282,000	....
Lead (thousand lb.)	335,346	364,000	....
Zinc (thousand lb.)	733,550	790,000	....
Agriculture			
Field Crops ($ millions)	2,121	1,990	....
Wheat Exports (thousand bu.)	336,024	299,000	....
Wheat Flour Exports (thou. bbl.)	13,246	11,300	....
Income, Sales			
Farm Cash Income ($ millions)	2,778	2,600	....
Labor Income ($ millions)	10,743	11,500	....
Retail Sales ($ millions)	11,304	12,000	....
Consumer Durables (Domestic-made)			
Cars, Trucks (vehicles)	434,102	490,000	....
Electric Refrigerators (units)	244,671	268,000	....
Washing Machines (units)	247,975	243,000	....
Radios (units)	568,884	630,000	....
TV Sets (units)	147,000	370,000	....

How Business Leaders See The Outlook

(Continued from page 13)

Ira G. Needles
President, The B. F. Goodrich Rubber Co. of Canada.

An encouraging picture of continued prosperity for Canada is a logical outlook for 1954. While we have experienced a few ups and downs on the economic scale in recent months, the general scene of development in this great land of ours allows us to conclude that 1954 may well be one of the best in history. Some of the soft spots in our economy could be corrected by prompt government action. Taxes on durable goods, for instance, must be eased to maintain our high sales volumes and employment figures.

Some modifications in sales figures have been predicted, but generally in isolated instances. We find no cause for pessimistic planning. On the contrary, our belief in Canada's potential has never been higher. Our Golden Age is no longer a distant dream, it is sharp reality. Every time a new oil well gushes in the West, or another ton of ore is mined from our depths, or wheels of a new industry start to turn, we are experiencing another step in our march of progress. With faith in our future, and in ourselves, we are looking to 1954 as a year of vigorous development.

* * *

L. S. Odell
President, Building Products Ltd.

After taking into account the fact that the manufacture of building construction materials is more or less a seasonal business, the demand for B.P. products throughout the year 1953 has been steady and in very good volume. In the field of residential construction—the principal market for our class of materials—year-end figures will end up at a high level.

We look forward to 1954 as a high level residential construction year, too. We believe mortgage money will be readily available and do not anticipate any major price increases in our particular type of materials. Upward pressure continues in wage, rail and trucking rates.

Raw materials are in plentiful supply and look fairly stable at present levels.

* * *

C. C. Pettet
President and General Manager, Canadian Paint, Varnish and Lacquer Association Inc.

Saleswise the Canadian paint, varnish and lacquer industry is coming to the end of another record-breaking year. Since 1946 sales of protective coatings in Canada have climbed from $59 millions to a preliminary total of $103 millions in 1952. Figures currently available show 1953 to be running about 8% ahead of last year and the yearly total will probably clear $110 millions.

One shadow on this otherwise bright picture has its origins in a problem common to Canadian industry in general. In recent years the paint industry has experienced a decline in profit position stemming from considerable increases in operating and production costs. This percentage decline exists even though dollar volume has increased.

The manufacture and sale of paint and varnish products is tied inextricably to a number of variable factors in the Canadian economy. These include the volume of production of industrial items requiring protective and decorative finishes, the level of consumer income, the volume of housing and new industrial construction and, to a lesser degree, the level of defense spending.

These factors relate to demand. The ability to meet the demand is affected by other variables such as availability of raw materials and adequate production facilities. Generally, raw materials are readily available or, where shortages exist, satisfactory substitutes are available in their place. Within recent months the development of new chemical manufacturing facilities in Canada has opened up domestic sources of certain items for the first time.

On the whole, paint industry production facilities are capable of absorbing increased volume of production for some time to come. However, some plant expansion and new capital investment has taken place.

With this as a background, and in view of the general optimism being voiced by government and industrial leaders with regard to the Canadian economy, the immediate future for the paint industry looks good.

* * *

F. G. Rutley
President and General Manager, Foundation Co. of Canada.

Construction in 1954 will remain buoyant. There is a considerable carry-over from 1953 and with the many contemplated projects on the planning boards it seems to me that a large volume of new business will be forthcoming next year.

Announcements made by both governments, Canadian and American, would indicate that the St. Lawrence Waterways will become a reality some time during the year 1954. It will come too late, however, to have any great effect on that year.

Keener competition in all branches of the industry is resulting in a lowering of some prices, thereby tending to check a general increase in the cost of construction.

Certain basic materials continue to be in short supply and shortages invariably increase costs. In view of the general practice of an annual increase in labor rates and the material situation, construction costs in 1954 will be slightly higher than in 1953; the increase of construction cost index will be about the same.

* * *

H. H. Rogge
President, Canadian Westinghouse Co.

We look for 1954 to be a good year—every bit as good as 1953. It should be a year of continued and satisfying progress for Canada. But the growth may well be at a more normal rate than has been the case in the past few years.

In a country as dynamic as Canada is at present there may be no such concept as "normal." There are signs that the past few years have been a period of abnormally rapid growth and expansion—our progress in the immediate future could be quite substantial and satisfactory but at a rate less dramatic than that of the past few years.

A prediction of a period of adjustment of this sort is in no way pessimistic. It is not the form of "adjustment" being talked of in the U. S. A. They mean a downward dip before business recovers and continues upward. I think we need have no such recession in Canada unless we talk ourselves into it. I believe we will continue to chalk up new highs but that the gains may not be as great from year to year as they have been in the immediate past.

For certain industries, including the electrical manufacturing industry, this type of adjustment may well mean difficulties. It will make re-organization and revitalization their keynotes. They will be taking a long look at designs, production costs, sales methods and distribution efficiency. They will have to work harder and with greater efficiency to keep the pace, and all elements must use common sense and restraint in demands which raise the costs of production in Canada.

* * *

E. C. Row
President and General Manager, Chrysler Corporation of Canada.

Looking ahead most Canadian businessmen cannot fail to be impressed by the opportunity and the challenge which they see.

Citizens of a vigorous, growing country whose economy is expanding beyond the most optimistic forecasts, they have every reason to view the future with a good deal of optimism.

While there are temporary "soft" spots in certain regions and commodities, never has there been a time when general prosperity was more abundant.

Chrysler of Canada's appraisal of the future, based upon a most comprehensive, long-term survey, points to a continuance of the favorable economic features of the past several years. Personal income, gross national product, number of households—to name a few of the major factors—will continue to increase, continuing the upward trend which commenced in the '30s. Translated into dollars, this means more purchasing power for the acquisition of homes, automobiles and the other necessities and amenities of modern living.

Our corporation is preparing to meet the challenge of a thriving Canadian economy. At Windsor we are spending upward of $40 millions to double our car manufacturing potential. In Western Canada we are committing a sizeable sum to keep pace with the demands of the growing market there. Earlier this year we put into use new facilities to serve the Maritimes.

These three enterprises which geographically span almost all of Canada give tangible form to our optimism.

As we look, then, into the year ahead, this fact dominates the picture: Canada has "what it takes"—the tools, the facilities, and the know-how. If our people continue confident, if we have faith in ourselves (and we have substantial reason for that confidence and faith) nothing can stop us.

Charles C. Rathgeb
President, Canadian Comstock Co.

Recent years have seen a tremendous boom in the construction industry. The growth of Canada's manufacturing facilities has been particularly remarkable; it is doubtful if this high rate of manufacturing expansion will be maintained through 1954. However, federal, provincial and municipal projects long on the shelf as well as many large sized commercial undertakings will undoubtedly get started in 1954.

We do not look for any kind of

(Continued on page 19)

45 Years Experience 1908-1953

Ontario Construction Company Limited

Engineers and Contractors

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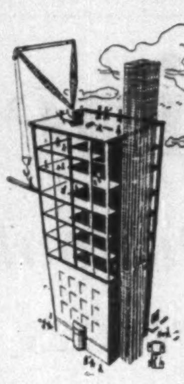


Marine Work, Pile Driving, Townsites, Bridges, Foundations, Highway Work, Buildings, Subways, Grading, Masonry Restoration, Sewage Plants, Filtration Plants

new **'54 MERCURY**

new in style... new in power... new in ride

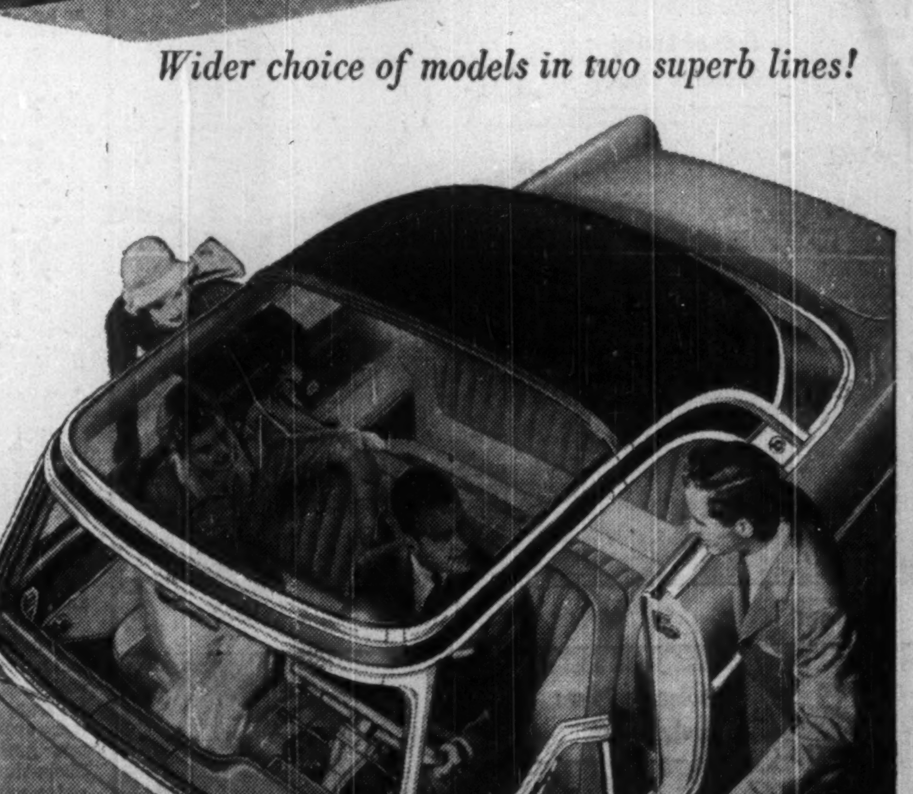
all-new 1954 MERCURY MONTEREY Four-door Sedan

completely new **161 hp. V-8** overhead valve ENGINE

Canada's newest V-8... by the builder of more V-8's than all other makers combined

Wider choice of models in two superb lines!

It's here! The big, long, low-to-the-road Mercury for '54, with a completely new 161 Hp. Overhead Valve V-8 Engine of advanced design. Here's smoother, more flexible power—a safer margin of power for surging acceleration, for hill-climbing, for more "go" in mud and snow, for better performance in every driving situation. Here's all-new Ball-joint Front Suspension, introducing you to brand-new road-hugging stability on the curves and on the straightaway—and an even smoother ride. And here's a new, wider range of Mercury models in two superb lines : : : four magnificently luxurious Monterey models, newest fashion cars of the day : : : dramatically beautiful Custom models : : : with new interior elegance, rich upholstery and appointments that challenge you to compare. And when you road test '54 Mercury, you'll discover it travels with almost unbelievable *quietness*. You ride so silently you can praise it in a whisper and be heard! See your Mercury Dealer and arrange to road test the '54 Mercury for the driving thrill of your life!



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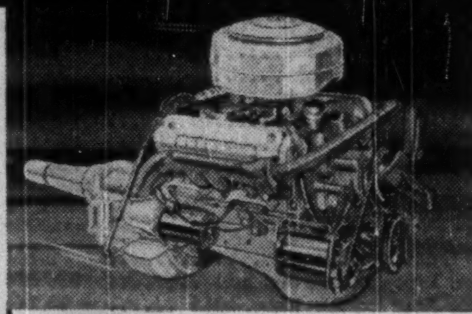

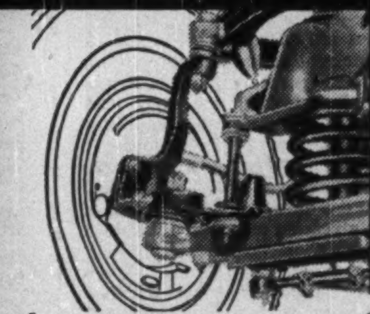

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POWER BRAKES*
4-WAY POWER SEAT*
MERC-O-MATIC DRIVE*

*Featured on Mercury Monterey models; optional at extra cost on Mercury Custom models.

161 hp. V-8 SAFER PERFORMANCE BETTER FLEXIBILITY BETTER ENGINE EFFICIENCY

MORE POWER MEANS MORE PERFORMANCE BENEFITS! Mercury's vast power reserve gives instant response when you need extra speed—extra power for easier hill-climbing. All-new design advancements give smoother, quieter operation, longer engine life and brilliant economy.

REVOLUTIONARY ALL-NEW BALL-JOINT FRONT SUSPENSION

Never before such a safe, road-hugging ride! This advanced-design suspension unit gives far better control and stability when cornering ... the most comfortable ride on any road.

Introducing the MONTEREY "SUN VALLEY" *an all-new sky-view car!*

Styling created by the car industry's leading designers and exclusive with Ford of Canada!

Here's the newest of car fashions—the "Sun Valley" with transparent plexiglass top—an all-new styling concept that brings you an all-new driving sensation. It's just one of four superb Monterey models that widen the Mercury line for '54—each with the full complement of Mercury *power* features, plus Merc-O-Matic Drive or (optional Touch-O-Matic Overdrive), custom radio, heater, Sea-Tint glass, turn indicators, windshield washer, rear fender shields, bumper-grille guards and whitewall tires.

MERCURY LINCOLN Meteor

Your Mercury Dealer invites you to see and road test '54 Mercury

ANNOUNCEMENT

MAJOR-GENERAL H. F. G. LETSON

At the Annual Meeting of the Shareholders of Ferro Enamels (Canada) Limited, held in Oakville, December 18th, Wilfrid Mavor, C.B.E., M.C., President of the Company, announced the appointment of Major-General H. F. G. Letson, C.B., C.B.E., M.C., E.D., of Ottawa and Vancouver, as a Director of the Company. General Letson is a mechanical engineer by profession, and is President of Letson and Burpee Limited, Vancouver, B.C. He served in the Canadian Army in World Wars one and two, and was Secretary to Lord Alexander when he was Governor General of Canada.

TOWN OF PERTH, Ont., has sold $78,000 5% debentures due Dec. 24, 1954-68, to Deacon Findley Coyne Ltd. at 103.513. Proceeds for sewer construction.

How Business Leaders See The Outlook

(Continued from page 18)

a recession but feel that our electrical and mechanical building trades, while not expanding as in the past, will hold their own in what might be termed a "Key Year" in Canadian economic development. Wages and prices should remain the same; the leveling off of '54 will no doubt set the pattern for level of business for the next several years.

* * *

Leo E. Ryan
Executive Vice-President, Monsanto Canada Ltd.

One of the most difficult and controversial aspects of business lies in the field of forecasting conditions that may lie ahead of us. This is particularly so when one reads so many varied opinions of what is likely to happen in the immediate future.

We have recently completed our budget for the next fiscal year and are planning for a slight increase in our over-all business. While in some fields we expect foreign competition to make inroads into domestically produced articles we, ourselves, are planning to increase our participation in other directions to make up for this.

I do believe that there will be some leveling-off, and even a certain amount of recession in part of the economy, but in general we do not look for average activity to be any different from 1953 by more than 5% either way.

The level of construction is still good, but industry at large will be facing greater competition both at home and abroad.

Our particular problems will arise from foreign processed goods being dumped into the Canadian market at unreasonably low prices. The protection afforded by tariffs is inadequate in a great many cases. European and United States low cost production is instrumental in keeping some prices at unhealthy levels and the facilities for enforcing the anti-dumping features of our tariff are hardly adequate to cover the wide field of imports. Full application of the principles of home market selling prices on the part of exporting countries would permit our Canadian manufacturers to compete on a fair and reasonable basis in the domestic market.

* * *

J. Irving Roy
President, Canadian Cottons Ltd.

There are no apparent reasons why the general Canadian economy should not continue to show a flourishing surface picture during 1954. On a national basis employment and wages are at high levels, and will undoubtedly stay there. Consumer spending will continue proportionate to earnings, particularly as there is little likelihood that prices will rise, even if further labor demands force up costs.

But under the surface some sore spots are beginning to develop. These may be ignored for some time because Canadians will resent anything that shadows the high living standards to which they have become accustomed during the past few years. Yet the blemishes exist, and are already quite obvious to the enterprises that are directly affected.

During the past few years the Canadian cotton yarn and fabric industry, like the entire primary textile industry, has been a rough spot in the booming economy. Employment and production have dropped off because the industry has had difficulty competing with imported goods. Reasons for this are too numerous to list here, but it is generally admitted by business and government that a serious situation exists.

Within recent months other manufacturing industries—chemicals, electrical appliances, some footwear, machine parts and toys—and some of the older natural industries, such as fishing and fruit and vegetable growing, have become aware that they too are being injured by imports from industries of countries with lower costs, either through wages or mass producing methods.

For these industries the prospects are not too bright. Competition will increase, particularly when the pending trading treaty with Japan is completed, and as more and more Canadian enterprises are forced to the wall there will come a growing realization that Canadian trading policy is giving too little consideration to domestic industries.

* * *

C. D. Roice
President, International Harvester Co. of Canada.

Sales of our company's products in Canada have rapidly increased in the past five years and particularly in 1952 and 1953, the two highest years' sales in our company's history.

For 1954 our customers, our dealers and ourselves are possibly facing some of the same problems, increasing costs of production and an increasingly competitive market, together with correspondingly smaller margins of profit.

We, at Harvester, must strive to produce machines of high quality at prices our customers can pay—machines that can make a profit for the customer and pay for themselves in use.

We believe that 1954 will be a highly competitive year and it should be another good year in Canada if we constantly improve our efficiency in design, production and distribution.

* * *

J. E. Reynolds
President, Remington Rand Ltd.

Canadian business organizations will have to pay more attention to the home market in 1954. This in part will offset the declining export trade on which at least a quarter of our current economy is dependent. The home market may therefore see intensified competition but the sharp rise in total employment and in labor income should contribute to its ability to absorb more goods and services. Since it is becoming increasingly difficult to control costs, some sacrifice in profits may be necessary to maintain satisfactory volume.

The office equipment industry should continue its expansion because manufacturers are offering improved equipment that justifies its purchase through reducing costs. The increasing application of electronic principles to office machines is a case in point. Our industry, too, will have to utilize improved and more intensive selling methods. But it will have more to offer the customer and therefore should attain increased volume.

* * *

Rhys M. Sale
President, Ford Motor Co. of Canada.

This has been a record year for the Canadian automobile industry in production, sales and employment, as well as in expansion of its facilities. It also has seen increasing competition, which is a good thing for all concerned.

The outlook for 1954 is good. We are basing our plans upon the high level of purchasing power, a continuing strong demand for automobiles, and the fundamental strength of the Canadian economy, in spite of a few soft spots that have appeared in certain industries.

* * *

G. H. Sheppard
President, International Business Machines Co.

The Korean armistice and other international developments provide a somewhat brighter background from which to view the business outlook for the coming year than was the case 12 months ago.

The year just ending was for most businesses an outstanding one and it would appear that 1954 may continue to be just as satisfactory.

An optimistic yet realistic appraisal of the immediate future is warranted by current conditions. Sales are high and assuming the continuation of the present international climate, employment will probably remain at the same level.

Competition in both domestic and export markets will likely be keener in 1954 and necessitate ever greater attention to increased efficiency and cost reduction. This will require close attention to the production machinery of the nation for in the final analyses improved methods, new and modern machines and carefully planned output make the greatest contribution to lower costs and consequent retention and expansion of markets. Canadian business may be expected to meet this challenge in the coming year with characteristic energy and determination.

* * *

E. G. Silverwood
President, Silverwood Dairies Ltd.

The business outlook is one of continued prosperity for most industries, although I agree that competition will be keener and efficient management will be essential if the present level of earnings is to be maintained.

Dairying is an economic giant that contributes three quarters of a billion dollars a year to the national economy and directly and indirectly provides employment for one out of every six of our population. Canada's milk production in 1953 was the highest it has been in the past eight years, but is expected to be still greater in 1954. Fortunately, the domestic consumption of fluid market milk, ice cream, processed cheese and other dairy foods has likewise been at higher levels, indicating that the Canadian housewife recognizes the relative economy of dairy products which makes them her best food buy and accounts for 20% of the consumers' total food dollar.

The National Dairy Council of Canada has recently stressed that one of the major problems facing the industry at this time is the butter surplus, which on a per capita basis is about three times greater than that in United States and could easily become more serious. A decline of 23% in per capita butter consumption has taken place since 1948, due to unrestricted and unfair competition from products based upon foreign imports. The trend in many countries toward synthetic creams, ice cream, cheese, evaporated milk and even synthetic milk itself, indicates the gravity of this threat to our economy and justifies the steps already taken by governments to protect our consumers from substitutes. Any further action which would increase domestic consumption of our dairy products, would relieve us from the necessity of subsidizing our exports as was recently done in the sale of butter and skim milk powder.

In the fluid milk industry, restricted services to the consumer has been necessitated in numerous markets in order to avoid an increase in the selling price of milk. If further wage demands or other increased costs have to be met in 1954 in such markets, an increase in the selling price of the product would be a necessity.

* * *

Gordon S. Shipp
President, National House Builders Association.

The Government's proposal to temporarily expand its direct loan operations under the National

(Continued on page 20)

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

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BRANCH OFFICES

MONTREAL & TORONTO

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ESTABLISHED 1855

98th Annual Statement

CONDENSED GENERAL STATEMENT

AS AT NOVEMBER 30th, 1953

ASSETS

Cash, Deposits with, and due from Other Banks		$110,444,340
Dominion and Provincial Government Securities (Not exceeding market value)		186,792,398
Municipal and Other Securities (Not exceeding market value)		28,114,246
Call Loans (secured)		5,722,604
Commercial and Other Loans		227,926,014
Bank Premises		9,163,118
Customers' Liability under Acceptances and Letters of Credit as per contra		2,540,138
Other Assets		208,462
		$570,911,320

LIABILITIES

Deposits		$545,123,772
Acceptances and Letters of Credit outstanding		2,540,138
Liabilities to the public not included under foregoing heads		534,454
Dividends declared and unpaid		391,935
Capital	$ 6,000,000	
Reserve Fund	16,000,000	
Undivided Profits	321,021	22,321,021
		$570,911,320

PROFIT AND LOSS ACCOUNT

Profit for the year ended 30th November, 1953, after making appropriations to Contingency Reserves out of which full provision for bad and doubtful debts has been made		$ 3,059,801
Less:		
Depreciation on Bank Premises and Equipment	$ 493,822	
Provision for Dominion and Provincial Government Taxes	1,262,578	1,756,400
Net Profit for the year		$ 1,303,401
Dividends	$ 840,000	
Provision for extra distribution to shareholders payable 2nd January, 1954	180,000	1,020,000
Balance of Profit carried forward		$ 283,401
Balance of Profit and Loss Account, 29th November, 1952		2,037,620
		$ 2,321,021
Transferred to Reserve Fund		2,000,000
Balance of Profit and Loss Account, 30th November, 1953		$ 321,021

B. S. VANSTONE, *President* WM. KERR, *General Manager*

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506

O'KEEFE'S NEW BREWHOUSE BUILT BY CARTER

The new CARTER-BUILT six-story O'Keefe's brewhouse at Dundas and Simcoe Streets in Toronto is considered the finest brewhouse in North America.

CARTER's name on *your* building project is a guarantee of thorough workmanship, reasonable cost and "on-time" completion. If you plan large scale construction, call on CARTER.

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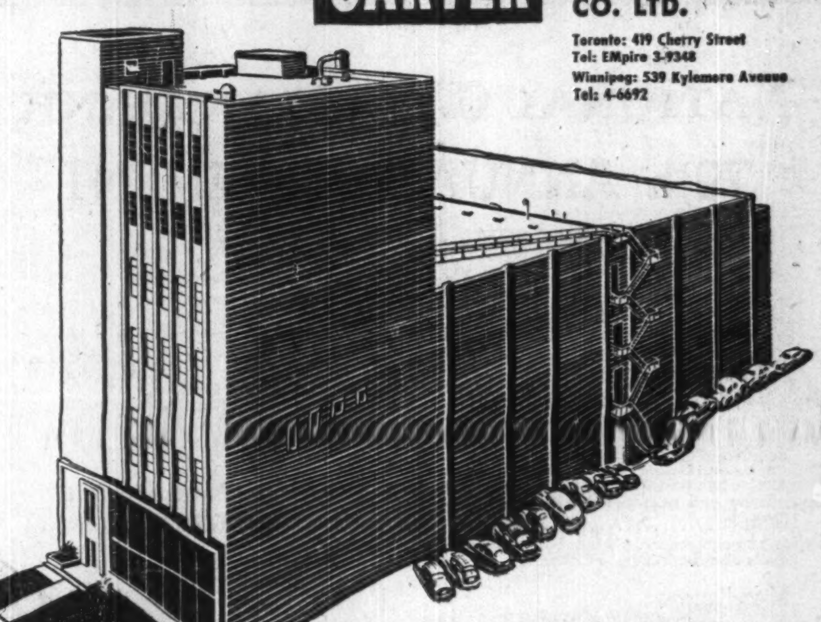

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a romantic present

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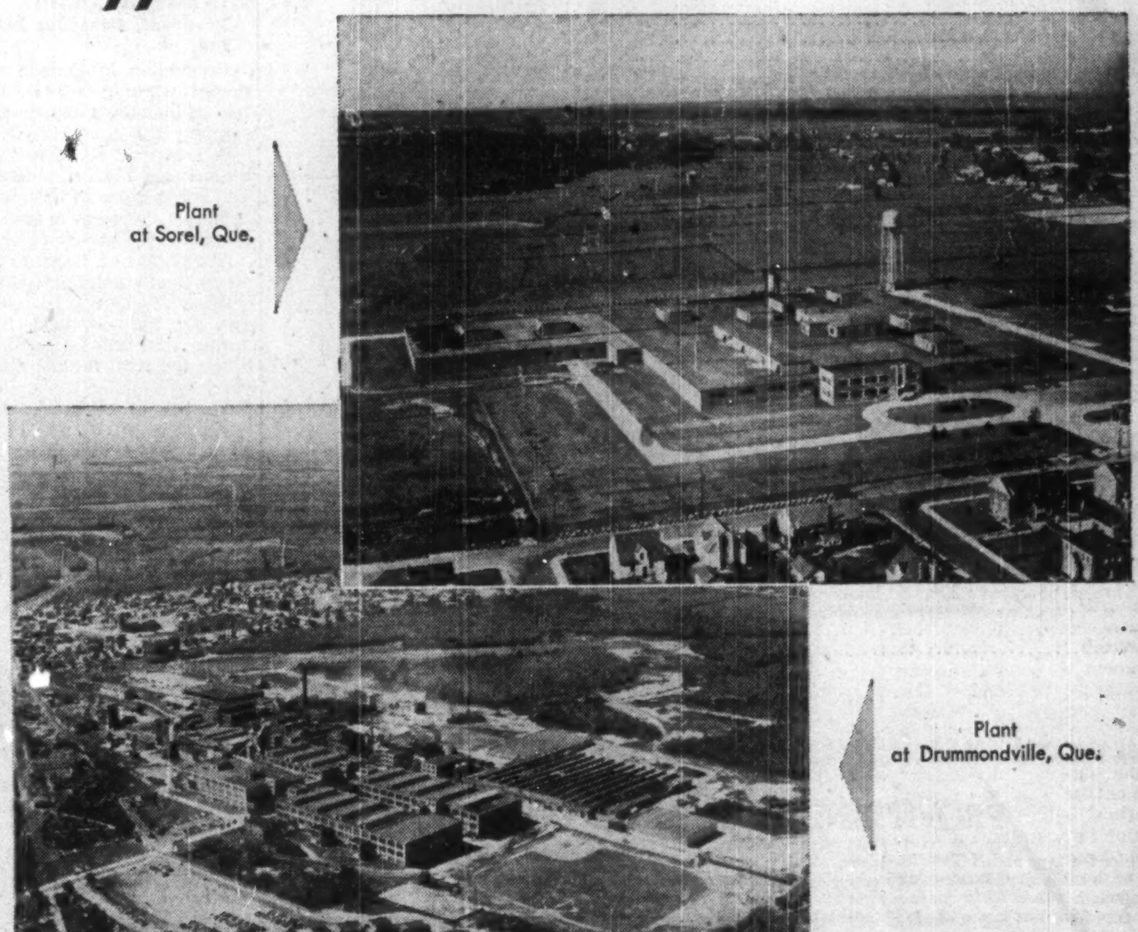
MADE FOR BOTH LADIES AND GENTLEMEN

FAMOUS THE WORLD OVER SINCE 1860

Efficient, MODERN PLANTS



Plant at Sorel, Que.

Plant at Drummondville, Que.

Because they have together set such high standards of successful operation, the two plants of Canadian Celanese Limited (pictured above) have enabled this company to win its present widespread reputation for producing merchandise of the highest possible quality at the lowest possible cost.

Celanese* YARNS FABRICS CHEMICALS

Photographs by Photographic Surveys (Quebec) Limited.

CANADIAN CELANESE LIMITED

*Reg. Can. Trademark

The Wawanesa
Mutual Insurance Company

Admitted Assets $14,004,734.77
Surplus 4,557,440.61
Dom. Govt. Deposit 3,969,667.99

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Head Office WAWANESA Man. / Eastern Office TORONTO Ont.
Branches at Vancouver, Saskatoon Winnipeg and Montreal

How Businessmen See The Outlook For 1954

(Continued from page 19)

Housing Act is welcome news to Canada's home builders.

In recent weeks it has become apparent that some such action would be required to maintain the present high level of housing starts. There are signs that lending institutions now operating under the National Housing Act have already committed from 30% to 50% of the funds they expect to invest in NHA loans in 1954, and it is obvious that it will be many months before the banks can operate actively in the mortgage field.

The National House Builders Association is generally opposed to assumption by the Federal Government of a primary position in mortgage finance. However, it approves increased direct lending as a necessary expedient during the transitional period between cessation of the joint loan plan and introduction of the insured loan plan under NHA.

Employment in the house building industry should remain at about the same level in 1954 as in 1953. Higher costs of serviced land in some localities may be reflected in higher prices for new houses.

* * *

Glen H. Spahn

Second Vice - President in Charge Canadian Office Metropolitan Life Insurance Co.

The high national income of the past few years, and its continued growth, has been reflected in life insurance sales which have increased progressively since 1949 and which will reach a new high in 1953. This is an encouraging feature of the national economy indicating that larger consumer expenditures have not been achieved at the expense of savings. In fact, reports from our sales force reveal an increased interest in estate building and a growing desire to maintain a better balance between spendings and savings. The potential market for life insurance is promising. Fewer than half the Canadian people are numbered among life company policyholders.

Canadian life insurance in force is equivalent to only a little over one year's income of the people and the premiums paid to the companies, for life insurance and annuities, take a mere 3% of the people's income. These considerations, supported by a healthy economy, indicate that 1954 will be another good year for the business.

* * *

Sydney J. Smith

Vice - President, Fry - Cadbury Ltd.

Adjustment to normal conditions after the war years of 1939-1945 has been prolonged by continual world unrest. Just when the cup of industrial activity showed signs of emptying a little (in 1949) the process was reversed and Korea topped it up.

Since 1945 manufacturers markets have been sustained at a high level by the large pent up demand for consumer goods of all kinds: by a high level of construction and industrial investment: and by very substantial defense programs.

The first of these expansive influences has run its course. The other two seem to be slackening. And against this contraction in the expansive elements of world trade must be judged also the effect of Japan's and Germany's new competitiveness, backed by longer and cheaper working hours. Some markets will be harder to secure or retain.

Altogether then, it would seem that 1954 compared with 1953 will set a lower tone in industrial activity in this North American continent which will inevitably slow down Canada's own industrial march. It will be natural, too, to expect some easing in prices to follow quickly in the wake of it. Certain it is that we should face 1954 with a determination to improve our selling efficiency and to scrutinize our factory and distribution processes for every economy possible.

The chocolate and sugar confectionery industry, one of Canada's food industries, has been held back in its development since 1950 by heavy sales and excise tax, at one time 38% and still as great as 25%. Across the border where there is no such tax, the per capita consumption is fully 25% greater: in the United Kingdom 75% greater. If Ottawa will untie our hands and allow us to develop our industry, then we should budget for increases in sales and employment in 1954, increases which would bring benefit to the agricultural and dairy industries also, since we use the countryside's produce freely in our manufactures. But should the tax continue, our industry will do very well if it maintains its 1953 position next year when a lower business tone is most likely to prevail.

* * *

H. Greville Smith

President, Canadian Industries Ltd.

Production in Canada reached record volume in 1953, but the tide of industrial expansion, after running for almost eight years, began to slacken. Changed conditions have been reflected in some reductions in chemical consumption. Business in general has become more keenly competitive.

A number of large expansion projects are nearing completion. Outlays for new plant construction by the chemical industry during 1954 will be considerably below the total for the preceding year.

On the other hand, enlarged manufacturing capacity now being brought into operation, together with new products and new uses for existing products, should enable chemical manufacturers to continue to develop their markets. This growth potential is an encouraging feature in the outlook for 1954.

In recent years, aided by the fruits of research, advances in technology and the stimulus of industrial growth, the range of chemical production in Canada has been considerably broadened. Taking the longer view, the growing population and wealth of natural resources in Canada assure the prospects of the country's economy and will afford ample opportunity for the chemical industry to continue to expand and diversify its activities.

* * *

Robert H. Saunders

Chairman, Hydro-Electric Power Commission of Ontario.

Increasing power demands in Ontario and, indeed, Canada, indicate a continued period of prosperity. Forecasts for future demands point to a leveling-off period in certain classes of industry, but the general trend in Ontario is toward expansion.

Power resources will be augmented mainly by five units coming into service at the Sir Adam Beck-Niagara Generating Station No. 2 and the third unit of Pine Portage G.S. on the Nipigon River. The capacity in 1954 is expected to be some 646,000 hp greater than in December, 1953, and sufficient to meet anticipated power demands for the coming year.

Rate revisions which took effect this year have stabilized the Commission's rate structure for the foreseeable future. There will be no general increase in the wholesale cost of power, therefore, during the year 1954.

If, as we anticipate, actual construction begins next year on the long-awaited St. Lawrence Power project, our large labor force at Niagara will be gradually moved to the Eastern Ontario site. This will serve to stabilize a large section of the construction labor market for several years to come, as well as provide a means of increasing the economy of this section of the province.

* * *

Sam Steinberg

President, Steinberg's Ltd.

We expect that the business level for 1954 will continue at the same high peak as it did in 1953. By that we mean that employment and earnings should remain at the same levels as for the past year.

Since people must eat, the food business is not subject to the same kind of fluctuations as other types of business. The food business has neither the peaks nor the valleys of other kinds of enterprise. It is a good, solid, middle-of-the-road business. Not only will we feed the present population, but the Canadian population is an expanding one, and so there will be many more mouths to feed in 1954, both new babies as well as new immigrants.

We are backing up our belief that 1954 will be a good business year through our program of capital investments. This program will entail the expenditure of many thousands of dollars in construction and capital goods and services. We expect to continue the construction of new markets at our present rate—some of these will be single stores and others will be in shopping centres. In addition we will modernize and expand many of our older stores, to bring to our customers the latest in shopping convenience.

* * *

J. P. A. Smyth

President, Industrial Acceptance Corp.

Currently business conditions remain at satisfactory levels and employment and individual earnings are well maintained. It is a reasonable assumption that, barring adverse incidents of an international nature, we are being more than conservatively optimistic in expecting that business generally will recede little, if any, during at least the first half of 1954.

It is indicated that our existing armament program will be extended into next year without any appreciable loss of impetus. Furthermore, the heavy construction program which Canada is presently enjoying would appear to involve heavy expenditures throughout the forthcoming year.

True enough there are certain soft spots in one or two of our basic industries. In this connection there is a reasonable expectation that the conditions under which such industries have receded in volume will be, at least in part, reversed and that their respective positions will be accordingly improved.

The foregoing would indicate that the volume of business transacted by sales finance companies should be well maintained by reason of high employment levels and the retained earnings of individuals after giving effect to normal living expenses.

Much comment, including some criticism, has been made regarding the rapid rise in consumer credit outstandings. The ratios of these outstandings, however, to retained or disposable income are little above those prevailing in the immediate prewar period. Sales finance companies have, through experience, developed schedules of minimum down payments and maximum pay-out periods, which when strictly adhered to provide for sound credit. These schedules, I think, are im-

(Continued on page 21)

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INDUSTRIAL, PRODUCT, PROPANE and CONSTRUCTION APPLICATIONS
Steel FABRICATING & WELDING LIMITED
DUNDAS · ONTARIO

NATIONAL CANADIAN BANK

79th ANNUAL STATEMENT

Year Ending November 30, 1953

BALANCE SHEET

Liabilities

Deposits:		$507,833,962.55
Deposits by the public not bearing interest	$135,509,188.37	
Deposits by the public bearing interest, including interest accrued to date of statement	345,694,383.01	
Deposits by and balances due to the Government of Canada	18,107,042.34	
Deposits by and balances due to Provincial Governments	3,107,286.03	
Deposits by and balances due to other chartered banks in Canada	4,171,330.82	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada	1,244,731.98	
Miscellaneous:		1,166,624.54
Acceptances and letters of credit outstanding	$ 1,129,022.75	
Other liabilities to the public	37,601.79	
Shareholders:		15,765,642.79
Capital paid up	$ 7,000,000.00	
Reserve Fund	8,000,000.00	
Balance of Profit and Loss Account	425,940.96	
Dividends declared and unpaid (including dividend payable 1st December, 1953)	199,701.83	
Extra dividend payable 10th December, 1953	140,000.00	
		$524,766,229.88

Assets

Cash Assets:		$ 89,476,679.21
Subsidiary coin held in Canada	$ 1,629,202.69	
Subsidiary coin held elsewhere	266.45	
Notes of Bank of Canada	21,450,686.25	
Deposits with Bank of Canada	31,488,286.61	
Cheques on other banks	32,159,169.50	
Government and bank notes other than Canadian	694,447.29	
Due by banks and banking correspondents elsewhere than in Canada	2,054,620.42	
Securities: (Not exceeding market value)		195,788,085.24
Government of Canada direct and guaranteed securities maturing within two years	$ 58,851,856.81	
Other Government of Canada direct and guaranteed securities	69,668,809.00	
Provincial Government direct and guaranteed securities maturing within two years	9,536,194.94	
Other Provincial Government direct and guaranteed securities	30,914,953.75	
Canadian municipal securities	12,200,241.96	
Public securities other than Canadian	1,140,069.30	
Other bonds, debentures and stocks	13,475,959.48	
Loans and Discounts: (estimated loss provided for)		230,989,057.33
Current loans and discounts in Canada	$210,520,443.20	
Current loans and discounts elsewhere than in Canada	850,262.53	
Call loans secured by collateral of sufficient marketable value	2,990,596.71	
Loans to Provincial Governments	3,441.61	
Loans to cities, towns, municipalities and school corporations	16,584,894.58	
Non-current loans	39,418.70	
Miscellaneous:		8,512,408.10
Bank premises at not more than cost, less amounts written off	$ 7,325,393.14	
Liabilities of customers under acceptances and letters of credit as per contra	1,129,022.75	
Other assets	57,992.21	
		$524,766,229.88

NOTE—The assets and liabilities of Banque Canadienne Nationale (France) same being considered a branch operating as a subsidiary of Banque Canadienne Nationale, are included in the above Balance Sheet.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1953, after contribution to the Staff Pension Fund and after making appropriations to Reserves for contingencies out of which accounts full provision for bad and doubtful debts has been made		$ 2,965,785.93
Less:		
Provision for Federal and Provincial Taxes	$ 1,219,919.66	
Written off Bank Premises	381,017.50	1,600,937.16
Net profits after the foregoing deductions		$ 1,364,848.77
Dividends	$ 700,000.00	
Extra dividend, 20¢ per share, payable 10th December, 1953	140,000.00	840,000.00
Amount carried forward		$ 524,848.77
Balance at credit of Profit and Loss Account, 29th November, 1952		401,092.19
		$ 925,940.96
Transferred to Reserve Fund		500,000.00
Balance at credit of Profit and Loss Account, 30th November, 1953		$ 425,940.96

LOUIS HÉBERT, Chief Accountant — ULRIC ROBERGE, General Manager — CHARLES ST-PIERRE, President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have checked the cash and verified the securities of the Bank at the Chief Office at the close of the financial year as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1953, according to the best of our information and the explanations given us, and is as shown by the books of the Bank.

We have obtained all the information and explanations required by us, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

MAURICE CHARTRÉ, C.A. of Chartré, Samson, Beauvais, Bélair & Cie
A. BALLANTYNE, C.A. of Peat, Marwick, Mitchell & Co.
} Auditors.

Montreal, 15th December, 1953.

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with 19% greater capacity

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ANNOUNCEMENT

EWART GREIG WILLIAM M. SMART

Announcement has been made of the election of Mr. Ewart Greig as President, and Mr. William M. Smart as Vice-President, Secretary and Treasurer at Union Carbide Canada Limited.

Mr. Greig, who is also a Director, joined the Union Carbide organization in 1919 and served as a salesman, district manager, advertising manager, general sales manager and vice-president and general manager of National Carbon Limited, or its predecessor companies.

Mr. Smart started his career with Union Carbide in 1923 as an employee of National Carbon Company at Cleveland, Ohio. After a varied and comprehensive experience in cost, sales and general accounting, he became, in 1945, manager, plant accounting, for all plants of Union Carbide. Early in 1953 he became an assistant treasurer of Union Carbide and Carbon Corporation.

How Business Leaders See The Outlook For 1954

(Continued from page 20)

plemented by the sales finance companies generally.

Some merchandisers do not use the services of sales finance companies, but rather have credit terms within their own control. This, unfortunately, can create some weakness in the over-all installment sales picture inasmuch as a tendency can develop to ignore the well-proven principles of sound sales credit and to sell the credit terms themselves in order to move more merchandise.

* * *

H. J. Symington

Vice-President and Director, Royal Securities Corp.

After several years of greatly expanding business, the year 1953 established new records in gross national product, capital investments, and consumer expenditures. On the theory that it can't go on forever one could expect some leveling out, if not a measure of recession. Nonetheless, it would appear that any recession in 1954 will be limited in scope and to particular lines.

Money for investment is plentiful. There is a momentum which will carry on for some time. Long-range prospects of the country and great publicity with respect to it will continue to attract foreign investment.

In the widening range of industries, competition is becoming keener. Questions of tariffs and exchange will be more important in both world and domestic fields. We have a great backlog of the best grain in the world and, in comparison with other countries, business outlook for Canada for 1954 would seem to be good.

* * *

J. L. Trumbull

President, J. L. Trumbull Ltd.

We view 1954 with full knowledge of certain problems which industry and labor are faced with here in the West. If it were not for the fact that our industries are under very capable management, and also our confidence in labor, there would be a basis for great concern for 1954.

Regarding the Prairies: We know that both the provincial and federal governments are very cognizant of the crop situation, and we are certain that there will be worked out a marketing plan. There is no question but that agriculture plays the major part in the economy of the Prairies, notwithstanding that oil has contributed substantially.

Regarding Coffee: We will close this year with the strongest market ever experienced, and several factors are responsible for this—increased European demand, consumption in North America being maintained, and the frost which occurred in Brazil in July has reduced the world's visible supply, and it would appear that the primary markets will not be able to accumulate any surplus over world demand for some several years.

Regarding Tea: The tea markets are very strong and there is no indication of any relief here, but every reason to believe that for the good to fine teas we will see a continuing advancing market, and there is no indication for 1954 that we will see easier prices, but on the contrary we can look for higher prices on the retail levels for both coffee and tea.

* * *

C. C. Thackray

President, Dominion Rubber Co.

A continuing high level of business activity throughout the country is the basis of our forecast for 1954. While the extensive program of industrial expansion may not reach the peak obtained in 1953, continued high production in the basic industries and a good level of consumer purchasing power should create a good demand in replacement business for most rubber products.

Some unemployment in the rubber industry has occurred due to the increasing rate of imports from those countries where exceptionally low wage rates prevail.

A decreasing trend in raw material prices, which has been evident in recent months, is not expected to continue, and some firming of these prices is anticipated. It will be necessary, in such a highly competitive market as the rubber industry, to give close attention to manufacturing costs together with increased emphasis on good salesmanship.

* * *

F. C. Wallace

President, Canadian Pittsburg Industries Ltd.

In Canada there can be no cause for long recession as long as the Government maintains an atmosphere favorable to business and continues policies conducive to expansion such as immigration and encouragement of investment of foreign capital in Canadian development. There may be minor adjustments by individual industries. But so much remains to be done by both government and private enterprise that it is difficult to visualize idle hands or money.

Our greatest danger is fear. As long as we retain our business courage and continue to develop our national resources and manufacturing capacity, we will be prosperous. If we allow fear to paralyze us and prevent business activity, then we will deserve the recession that will surely fall upon us.

We expect that business will continue on a relatively stable basis, with prices being maintained at their present level. We anticipate that business activity and employment will continue their long-term upward trend. Our plans for next year are founded on these assumptions.

* * *

Alvin J. Walker

President and Managing Director, Holt, Renfrew & Co. Ltd.

Canada's 1953 level of employment in the fur industry has been normal, excluding, of course, the inevitable shifts from job to job, seasonal unemployment, and at times self-inflicted idleness.

Canada's country-wide program of resource and industrial development will give work to all willing employables.

The high rate of population growth in 1953, and the expected greater accretion in 1954, increases the number of customers for consumer goods, and durable items such as automobiles, television sets, etc. Hence, there seems to be no reason to anticipate a general business recession, which might create general unemployment, and would call for an all-over readjustment of the national economy.

To at least equal the 1953 balance of exports over imports of Canada's fur industry, amounting to about $2 millions, present inequitable excise taxes should be repealed, and enforceable anti-dumping laws should be enacted. Likewise, for export purposes and the free movement of goods in international trade, sterling should be made convertible. And unless such freedom is promptly achieved, current prices for furs, and their burdensome production costs, must come down.

* * *

J. R. White

President, Imperial Oil Ltd.

We are looking forward to another year of high employment and incomes, although we do not anticipate a return to inflationary conditions or sellers' markets. Broadly speaking, we expect 1954 to provide wider opportunities and more scope, we expect to see more business activity and keener competition.

These expectations apply especially to the Canadian oil industry. Crude reserves will end the year at new high levels. The facilities for marketing crude oil will also be larger than ever before. The recent decision to permit the marketing of Western natural gas should shortly work toward a solution of the problem of unsaleable gas reserves.

Prospects for wider opportunity and more intense competition appear in the manufacturing and marketing of oil products. We anticipate a greater demand for products in 1954 and an increase in manufacturing and marketing facilities. To sum up, 1954 looks like a good year for all sizes and types of business—provided they have kept themselves in good condition to meet intensified competition.

* * *

V. C. Wansbrough

Managing Director, Canadian Metal & Mining Association.

Though some segments of the mining industry have experienced difficulties, particularly in the second half of 1953, there is little reason to be pessimistic concerning the 1954 prospects.

The gold mining industry as a whole has continued to do little more than barely maintain its operations. A number of Ontario gold mines have suffered strike action, and it is to be hoped that these industrial difficulties will be resolved by the turn of the year. Meanwhile, the government has announced its intention of extending the Emergency Gold Mining Assistance Act through 1954.

The sharp drop in lead and zinc prices has worked hardships on the Canadian producers of these metals. In addition, there has been the overhanging threat of increased tariff duties in the United States. It now appears, however, that this threat is less imminent and that prices may strengthen. In these circumstances, a number of fully prepared and important ore bodies have a good chance of getting into operation in 1954.

In other respects, 1954 is likely to prove a banner year in Canadian metal mining history. In Northern Manitoba, Lynn Lake will begin producing its nickel, copper and cobalt, and in August the first ore train will leave the New Quebec-Labrador iron deposits for the loading docks at Seven Islands. Opemiska Copper Mines in Quebec is opening up at the beginning of the year, and other extensive operations conducted both by established and new companies are likely to add to our mineral output. Considerable progress may also be expected in mining the uranium deposits of Northern Saskatchewan and in further developing those of Ontario.

All in all, 1954 is a year to which we may look forward to with considerable confidence.

* * *

W. P. Walker

President, York Knitting Mills.

The year 1954 will probably see some further reduction in general business activity, most particularly in those industries competing with foreign manufacture. ... job seekers will experience difficulty in finding employment —short time will increase and mild unemployment appear. Rigidity of wage rates will only partially offset the tendency to lower prices in manufactured goods which increasing efficiency and falling raw material costs would otherwise effect. With plants operating somewhat below capacity, profits in many industries may be sharply curtailed due to high break-even points.

The textile industry faces another year of great difficulty. Capacity and efficiency of domestic industry is high, but import of American and British merchandise at most unrealistic prices has caused widespread unemployment and loss which can not be sustained indefinitely. The prospective increased import of Japanese goods can only heighten prevailing difficulties without offsetting benefits to the national economy.

* * *

Geo. R. Wyer

Executive Vice-President, Canadian Fairbanks-Morse Co.

All signs point to another prosperous year for Canada in 1954.

(Continued on page 22)

NOTICE

Notice is hereby given that certificate of registry No. C 1444 has been issued by the Department of Insurance, Ottawa, authorizing the American National Fire Insurance Company, New York, to transact in Canada the business of Fire Insurance, Automobile Insurance (excluding insurance against liability for loss of or damage to persons caused by an automobile or the use or operation thereof), Earthquake, Explosion, Hail, Inland Transportation, Personal Property, Real Property Insurance and in addition thereto, Falling Aircraft, Impact by Vehicles, Sprinkler Leakage, Water Damage and Windstorm Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

J. H. HARVEY,
Chief Agent.

NOTICE

NOTICE is hereby given that the What Cheer Mutual Fire Insurance Company, having ceased to carry on business in Canada and having reinsured its liabilities in Canada as at October 31, 1953, in the Blackstone Mutual Insurance Company which is registered under the Foreign Insurance Companies Act to transact business in Canada, will apply to the Minister of Finance for the release on the first day of April, 1954, of the securities on deposit with the Minister of Finance; and that any Canadian policyholder opposing such release should file his opposition thereto with the Minister of Finance, Ottawa, on or before the first day of April, 1954.

Dated at Toronto this 27th day of November, 1953.

JAMES P. McD. COSTIGAN,
Chief Agent in Canada.

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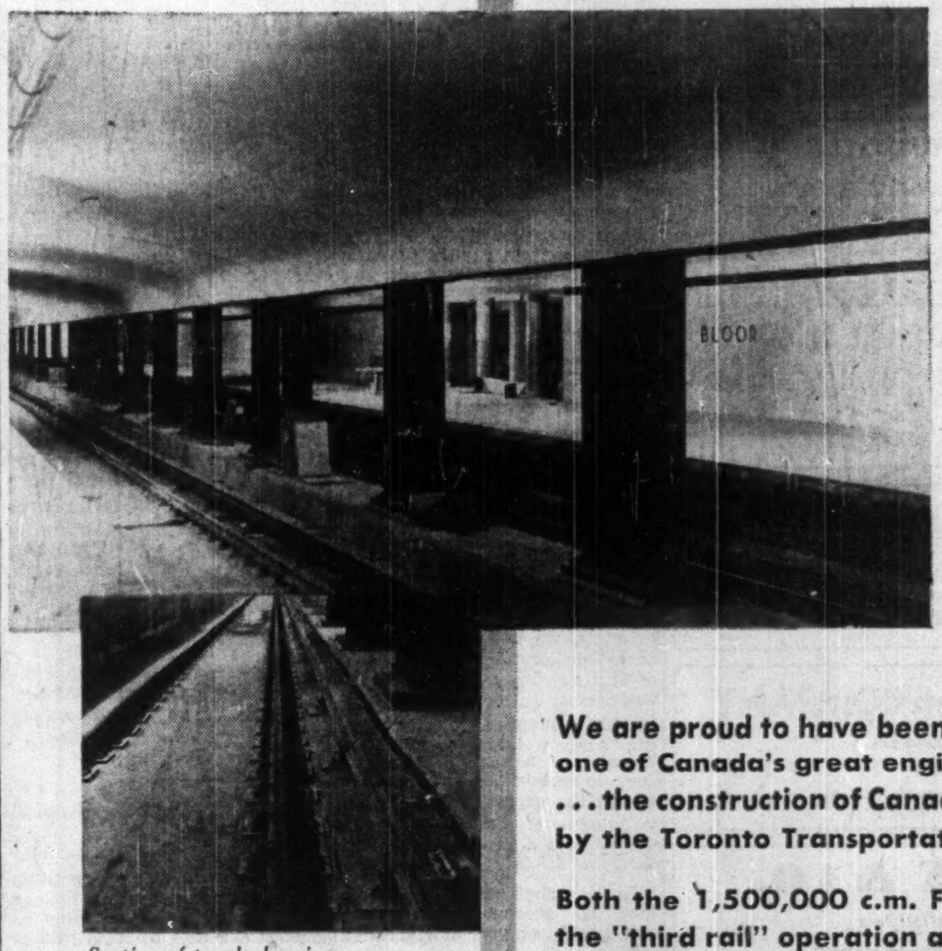

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Section of track showing "third rail," for which Canada Wire engineered and manufactured the 1,500,000 circular mill Feeder Cable.

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Your Business Forecast For 1954

(Continued from page 17)

in the last three years has left them in a much stronger position than they have had for years. They may buy fewer farm implements, but general consumer spending should be fairly well maintained. Export sales of wheat will not come up to last year's (1953) levels. Drop may be quite sharp.

* * *

FARM IMPLEMENTS—Employment and sales expected to be off from 1953, though extent depends on farmers buying attitudes more than just on farm income. Cash income of U. S. farmers for 1953 was down only an estimated 5% but sales by Canadian implement makers in the U. S., the biggest export market, were off considerably more. Canadian exports of farm implements running into greater competition overseas, also usual troubles with buyers lacking dollars. Ten-month exports to all countries off 27% in 1953, no immediate indication of much improvement—unless farmers, particularly in U. S., decide things aren't as bad as they thought they were. Big question in Canadian outlook—how will Canada make out in efforts to eliminate large surpluses?

* * *

FLOUR MILLERS will be faced with a very tough competitive situation in 1954. Total output for the crop year ending next July 31 will likely be off considerably. For the first quarter of the 1953-54 period, production was down 20% from a year earlier, total exports were off 30%, and exports to U. K. (Canada's biggest customer) showed a drop of nearly 40%. Export business has so far shown no signs of picking up and, based on current world demand-supply picture, will likely remain at recent levels for some time.

Competition to supply world flour demand is extremely keen, with abundant supplies and many countries not normally interested in exports out looking for business. Canadian mills are feeling this competition and, as the figures show, have been losing business. Exports usually run about 50% of total Canadian production.

Finance

STOCK MARKET—With forecasts in many industries calling for another good year in 1954, markets have been stronger. Even in industries which have been having a tougher time than others, there has been evidence of solid buying when stocks of good companies dropped to levels that made them attractive for the long pull. Brokers' loans are below a year ago, despite increased trading volume, indicating soundness in margin position of their clients, reducing potential downward pressure in any declines. Greater competition expected in 1954 will probably cut into profit margins, reduce company earnings in many industries, but with large capital expenditure programs now completed, dividend income should hold up well. Investors likely to be fairly cautious as 1954 wears on until pattern of business for year more clearly defined.

* * *

TRUST AND LOAN—Increase in interest rates—from 2% to 2½%—on demand deposits is expected to result in greater volume of business for trust companies' savings departments. Popularity of short-term (up to five years) investment certificates is also growing, partly due to 1953 increase in interest rates; some further rise in sales is foreseen for next year. Interest rates on mortgages are expected to remain unchanged throughout 1954; no slackening of demand for mortgage money is anticipated, and some trust company officials cautiously predict that lending institutions will exceed their record-breaking levels of the past two or three years.

* * *

GOVERNMENT FINANCE—1954 budget will be of the same general proportions as in 1953. Defense will still be near $2 billions, and about half the total. Tax reductions bound to be minor, but increases will be avoided. Scope will depend on the Government's estimate of the general level of the economy, with special reference to the main tax field. The level of personal incomes and of corporation profit are the two key facts, though the expectation of a high level of imports indicates a good yield from customs duties and excise taxes.

Whatever tax reductions can be justified by revenue expectations will be first applied in excise tax fields.

* * *

BOND ISSUES—The biggest Government of Canada issue maturing next year is the Second Victory Loan of $676 millions due on March 1. $202 millions of this has already been converted into the new 3%'s of May 1, 1958. July 1 brings maturity of the $100 millions in 2%'s issued in March this year. And a larger amount of 2%'s fall due Dec. 15 next. There is a total of $545 millions, including $395 millions issued in 1950, and $150 millions issued November 1, 1952. Government's present position has been strengthened by the unusual success of the Canada Savings Bond 1953 issue, which brought total subscriptions of $852 millions up to the end of November.

* * *

BANKING—Another good year's business generally expected with more stress on efficiency than previously. Good demand for loans expected if general volume of business keeps up. Some bankers feel they should be careful in allocating credit to encourage business to meet its most urgent needs first. Interest rates expected to remain fairly steady.

* * *

LIFE INSURANCE — Sales expected to keep to a high level and probably show a further increase in 1954. In the investment field some feel yields may be somewhat lower but with assets increasing income should keep at a high level.

The Over-All Picture

LABOR, EMPLOYMENT — A slight increase in wages in certain industries and improved "fringe" benefits in others — that is the outlook for Canadian labor in 1954. Pay increases expected to be lower than in '53.

Some union groups — notably railways and automotive workers — have already indicated that they will be satisfied with improvements to existing fringe benefits and won't hold out for wage increases. In all industry, though, there is expected to be a definite stiffening in attitude toward granting increases in 1954 in view of increased competition. Unions, on the other hand, realize they can't expect pay boosts they have been getting in the years since the war.

In some individual industries and areas, trouble is expected but it looks now as though labor disruptions in 1954 will be regional in character as they have been in 1953.

* * *

FOREIGN TRADE—The one drop in exports which must be taken for granted is in grains. The outlook for Canada's second most important export trade—wood and wood products—is reasonably firm. Woodpulp is picking up; newsprint looks as good as ever; only question mark is for sawn lumber, depending on construction trends in U. S. But recent indications from south of the border are more hopeful than they were a few months ago.

The metals outlook is dominated by the U. S. Tariff Commission study on lead and zinc. But assuming a favorable outcome of that the demand appears reasonably steady. Overseas sales, which have been slacker this year, may possibly pick up as stocks decrease and overseas countries make efforts to improve their industrial production.

On the whole, there seems little reason to expect any contraction of the U. S. market for Canadian products—barring unfavorable decisions by the Administration which might lead to new barriers against lead and zinc and frozen fish.

Overseas markets, still dominated by dollar shortages, remain problematical. But import restrictions against dollar goods probably reached their most stringent pitch in 1953.

* * *

PULP, PAPER—Newsprint producers still working at capacity. Outlook for 1954 very bright. U. S. consumption expected to be up 2%-3%. While demand from Canadian and overseas customers should be higher. Inventories of U. S. publishers now down considerably from a year ago, a good sign. Thus, based on current estimates, Canadian producers will operate at or very near capacity next year and will produce a new record output, up some 3%-4% from 1953.

Pulp markets, which firmed considerably this year, have been slightly stronger lately and continued high demand likely to continue through the first quarter anyway; paperboard operations off slightly in U. S. recently but so far this has had no effect on Canadian pulp sales. High demand in early part of the year at least for fine papers, paperboard, etc. also indicated. Outlook for rest of 1954 good but will depend largely on general business conditions. Inventories in distribution channels not high.

* * *

HOUSING—Demand for new housing continues high, will be increased by lower downpayments under new housing legislation. Supply of NHA mortgage funds will at least be maintained in first half, as Government will take up any slack while bank policy on mortgage lending takes shape. Second-half lending should be equal to this year, or up somewhat. May be unpredictable surprises in operation of the new legislation. More rental housing than this year quite possible. Cost of houses in some areas may ease up further because of high value of scarce serviced land. Prices of old houses may ease downward in some communities, but this is likely to be very selective pattern.

* * *

NONRESIDENTIAL CONSTRUCTION — More competition. Maybe lower prices on some types of work, in selected areas. Narrower profit margins likely for contractors, as wage pressure still up. Big carryover of general construction though, with first six months or so definitely good. Big year for commercial construction. Drop in factory building likely.

* * *

TOURISM—Headed for a bigger and better year, with more U. S. and foreign visitors and more Canadians traveling. But competition is heavier for middle-income vacationer.

Main factors: more automobiles; better highways and bigger highway budgets; more motels, resorts and "camps"; faster, cheaper and more frequent air services; more advertising and publicity in Canada and abroad by government agencies and resort operators.

* * *

FIRE AND CASUALTY INSURANCE — Outlook mixed. Some see a considerable shaking out, a decline in purchases of various types of insurance. Fire insurance premiums in 1953 are estimated by some as about 3% higher than in 1952 and these people feel the business will do well if it shows a similar increase in 1954 over 1953. Others look for total fire insurance premiums to be slightly smaller.

Auto insurance business may not show the same increase in 1954 as in 1953. Probable trend of rates is uncertain yet pending the compilation of statistics on the experience under the new rates put into effect last April.

* * *

ADVERTISING budgets will be up 10% in 1954, not so much for boosted campaigns but to meet higher costs. A tough competitive year will mean plenty of business for the agencies, and for the media. But, according to key agency men, there is a tendency in Canada for advertisers to cut short campaigns, to slash budgets when competition gets rough. The agencies will have a busy time, they're predicting, steering advertisers away from false economies. In fact, the admen consider this their most basic problem for '54. It's quite the reverse of the U. S. picture, where competition is spurring advertising enormously.

Transportation

IN THE AIR, new records are almost sure to be set for the number of Canadian flights, as both TCA and CPA begin to fully utilize substantial fleet additions. Expected 1954 route expansion includes TCA flights to Mexico City and Montego Bay, Jamaica. Passenger traffic is certain to jump considerably when TCA's coach-class service (offering a 20% reduction in fares) is inaugurated in February.

RAILWAY traffic is not likely to drop, although much will depend on wheat sales and the 1954 crops. Revenues may continue their downward trend of the latter half of 1953, because freight rate increases (98% since 1939) have not resulted in anticipated revenue gains.

TRUCKING industry looks forward to another good year, with business expected to continue its postwar climb in most areas. One disrupting factor will be the recent ruling by the Province of Quebec that only firms with head offices within the province's borders may carry goods between provincial areas.

INLAND WATER transportation outlook is for another record-breaking season, but as usual, much will depend on the weather and on wheat movements.

How Business Leaders See The Outlook

(Continued from page 21)

Continued development of natural resources in mining, oil fields and new Hydro-electric power projects and a steady demand for Canada's manufactured products, we believe, will result in satisfactory business for this company's lines of industrial equipment, such as, machinery, industrial supplies, power, pumping and weighing equipment. There may be one or two soft spots in certain industries but we expect the general economic development of the country will continue on a good solid foundation.

In our appliance division we look for increased competition and it will be a year of aggressive selling in the large and growing market in television, refrigeration, heating and laundry equipment.

We look forward to 1954, in both divisions of our organization, with confidence, with increased facilities and with an enlarged selling organization.

* * *

J. B. Weir

Chairman, Montreal Stock Exchange.

Canadian business is just completing another excellent year and I do not see that there is any reason for pessimism in the outlook for 1954.

We have only recently returned to normalcy after a period of shortages, etc., caused by the war in Korea. That we are in a period of adjustment there is no doubt. Some industries have had their adjustment, others are now having theirs and others are still to come. All of this is happening without too much disturbance to the over-all economy.

As we are an exporting nation our greatest worry is that our costs will rise to where we "price ourselves out of the market." In this respect our labor leaders have a serious responsibility.

The greatest stimulus to individuals and to business would be some relief from the abnormally high present level of taxation.

* * *

H. M. Turner

President, Canadian General Electric Co. Ltd.

Following a year that was highlighted by intensified competition from both domestic and foreign suppliers, Canadian industry in general can look back on 1953 as the best year in the country's business history. The leveling-off in prices and general balance between supply and demand throughout the year were solid indications of a mature and stable business structure.

In the electrical industry, output of manufactured goods approached a value of $850 millions, some 18% over the previous peak year of 1952, and one indication of the increasing part the industry is playing in the economy generally. No major labor interruptions were reported, and employment rose to a new high of approximately 76,000.

Looking into the future— short- or long-term—is an interesting and hazardous pastime. Considering today's interplay of basic economic pressures, together with such events and policies as can reasonably be foreseen, it seems possible that 1954 will see an interruption in the continuity of growth in Canada's Gross National Product. This we see as nothing more than a hesitation in the boom, short-term in nature, to be followed closely by a resumption and acceleration of the economic surge of the postwar years.

We expect the electrical industry in 1954 will equal or slightly better its 1953 performance. There are several major projects pending which will require large outlays on electrical capital goods, and the industry's participation in supplying goods for defense is expected to remain at or near present levels over the next 12 months. Heightening competition, especially from abroad, will bring about a sharpening of production and marketing techniques, and a return to the competitive conditions of the prewar era.

* * *

C. Gordon Cockshutt

President, Cockshutt Farm Equipment Ltd.

Canadian business generally continues good as we go into 1954. There are outstanding exceptions by industries to this statement, and there is little question that the tremendous increases which have occurred year by year recently cannot be expected to continue. In fact, for many lines 1954 cannot offer the volume of

(Continued on page 23)

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Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. Basic information on all 26 companies was given Jan. 10-April 4. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

Imperial Oil

At recent $28¼ market price, Imperial Oil selling only 5% above UV level, leaving room for 112% rise before stock would hit OV level; 1953 high $36⅛, low $26½. Yield at $28¼ 2.83%.

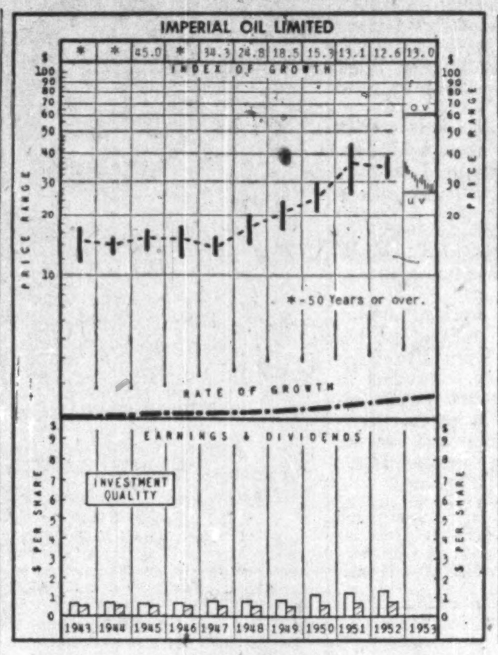
Total income in first nine months up 9% at $441 millions, expenses 8.6%, leaving net 12.4% higher at $1.18 a share ($1.05 in '52 period).

Trend understood continuing in last quarter both in sales and earnings.

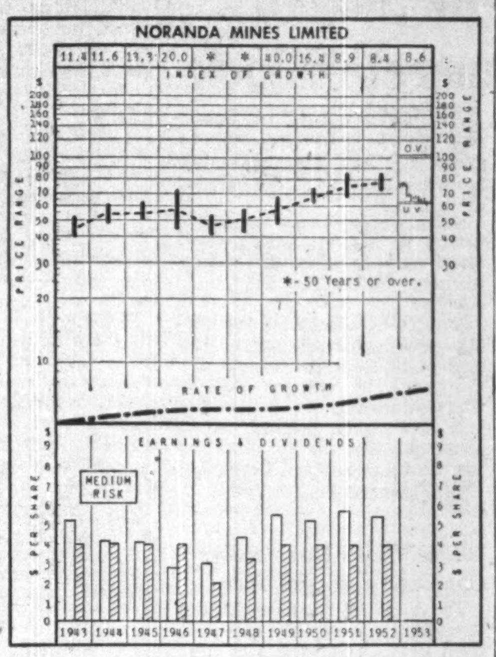
Outlook for '54 favorable. Sales expected to continue climb to meet steady increase in demand for petroleum products (rate of increase is about 7%-8% annually in Canada).

Interprovincial and Trans Mountain pipelines opening up new markets for crude. Trans Mountain not expected to reach throughput levels originally hoped for in '54, but should be important carrier by '55. Interprovincial, just putting finishing touches on line to Sarnia from Superior, Wisconsin, already planning $60 million program for '54 to expand capacity of western end of line.

New Smiley field in Saskatchewan in which Imperial has interest an important addition to reserves due to proximity to pipeline network, and to the type of crude in field — light crude yielding higher proportion of products most in demand in Prairies, such as gasolines and light fuel oils. Pembina field in Alberta also providing new, important reserves for Imperial.



WHY SELECTED: Operating as the largest and most fully integrated oil company in this country, Imperial has the outstanding record for oil discovery in Western Canada. Reserves should continue to expand as active exploration progressively develops the company's choice 25 million acres (5/6 of an acre) in the Canadian oil basin.



WHY SELECTED: One of Canada's most important mining enterprises, Noranda is third in copper production, fourth in gold output. A large portfolio of investments is maintained, including 44.5% interest in Kerr-Addison, leading gold producer, Diversification of Noranda's interests tends to moderate cyclical changes in earnings.

Noranda

Current chart shows Noranda, at recent $60½ a share, trading at price 4% below its UV level and a 65% rise away from OV level. 1953 high $78¾, low $59¾. Yield at $60½, 6.61%.

Nine months' earnings $4.20 per share ($3.99 in comparable '52 period). Higher earnings due to sale of copper carried over from '52, plus sale of metal in process and decreased costs since strike started Aug. 22.

Sale of metal in process spilled over into fourth quarter, so earnings in part of this period will also be better. But for remainder of quarter, this situation won't apply.

When strike ends, there will be period of production during which supply pipelines will have to be filled and earnings will be reduced until normal deliveries to customers can be resumed. Process takes about three months.

Practically same dividends from subsidiaries in '53 as in '52, but such holdings as Hallnor, Aunor, Waite Amulet, Mining Corp. (Quemont, Normetal) affected by strike. Earnings of these subsidiaries will be reduced in '54 until situation returns to normal. Gold mines in Nicaragua hit by lower free gold prices.

How To Read The Stock Chart

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate, the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case, it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors, such as rate of growth and investment quality, will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of, say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale, nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: The rate, as based on Nestor's tests, at which the company is showing underlying or long-term, growth. This will determine the price trend of the company's common stock over a period of years, and in most instances, the trend of dividend payments.

Background and principles behind the selections by Nestor were discussed in a special article in The Financial Post, Jan. 10. A limited number of reprints are available on request.

Business Leaders

(Continued from page 22)

business that has prevailed in the past.

There is a distinct tendency to increase the spread between the farm and manufactured goods prices. This is likely to have a bearish effect on rural purchasing.

Canada's dependence on world markets is an even more important factor. There, the improvement that was hoped for a year ago has not eventuated, and it is even more difficult than it has been in the past to dispose of dollar goods abroad owing to currency difficulties.

Production costs have generally increased during '53 and this has an important bearing on our ability to export.

It would seem that the time has come to call a halt in increased costs if we are going to be competitive with other aggressive exporting countries. Perhaps a period of very difficult conditions, which will probably prevail among many industries, will bring about greater efficiency and enable us to secure a larger proportion of the available business in the years to come.

* * *

A. E. Grauer

President, British Columbia Electric Co.

I do not expect that 1954 will be much different respecting business and employment conditions than 1953. In other words, although some lines of business will continue to have difficult times, the over-all economic situation will be good. The outlook remains strong for new development work, the construction industry, housing, public utility expansion and public works of all levels of government.

I expect that prices will have a slight downward tendency with some prices, however, rising where labor costs are a high proportion of total costs. As far as costs are concerned, I anticipate that materials will show a downward trend and labor continue upwards but at a lesser rate.

The demand for electrical energy in our areas continues to increase at a 10% rate and reflects generally strong economic activity.

* * *

John D. Hayes

President, Laura Secord Candy Shop Ltd.

From a long-term view, it is difficult for anyone to take a pessimistic attitude toward the strength and expansion of Canada's economy. The pace of our industrial development during the past decade has been without parallel and there is no reason to believe there should be any drastic slackening in our progress. Canada is the last great bastion of natural resources and all that we require to capitalize on our resources is leadership, courage and imagination.

In any forecast of immediate business prospects we should remember we have been operating under boom conditions and that there are bound to be periods of readjustment. The Laura Secord Company is geared to progress and expansion because we have great confidence in the future of our country.

H. D. McNairn

General Manager for Canada, Prudential Assurance Co. of England.

After eight years of rapid expansion, our economy shows a sufficient degree of soundness and resilience to absorb normal declines in demand for some products, which can be expected next year. There is some evidence of a slackening in pace, but the expansive forces are still there. Business should continue around present levels. Indications point to higher wages, but some easing in employment and prices by the end of the year.

I look for a good increase in the volume of new business in most lines of Insurance — Life and General. Like most industries, insurance faces keener competition for business, particularly in the general insurance field where direct-writing companies have added to the competitive pressure for reductions in rates and operating costs. The cost of handling small general insurance lines has risen to the point where efforts to simplify and streamline the business can be expected.

* * *

W. D. Weir

President, Canada Foundries & Forgings Ltd.

As experienced during 1953 there is still in existence a marked disparity between the dollar and sterling which is continuing to have a two-fold impact on our industry. Namely, prohibitive competition from sterling areas with preferential tariffs and the almost total loss of export business from Commonwealth countries. This also applies to other foreign countries with noncomparable standards of living.

It does not seem possible that this situation can rectify itself during 1954. The continuing demands of labor — building a pyramid of costs up through every process level from basic raw material — make it most difficult to reduce existing manufacturing costs.

Should labor become more reasonable and realistic and the heavy burden of taxation be eased to offset to some extent the above conditions — we could look forward to reasonable prosperity during the year 1954.

* * *

Walter P. Zeller

President, Zeller's Ltd.

Our plans for 1954 are being made with confidence that the year will compare favorably with 1953. Undoubtedly the day of exceptional sales increases is behind us but we feel that with the prospect of employment being generally steady throughout the country our sales can be maintained at least at the present level and we are budgeting for a reasonable increase.

Prices for the most part appear to be firm. However, we feel that consumers are looking for better values for their money and we anticipate in some lines better merchandise at the same prices will be available in 1954.

The increase in operating costs which has been so evident during the past few years will continue to be the major problem of the retail industry.

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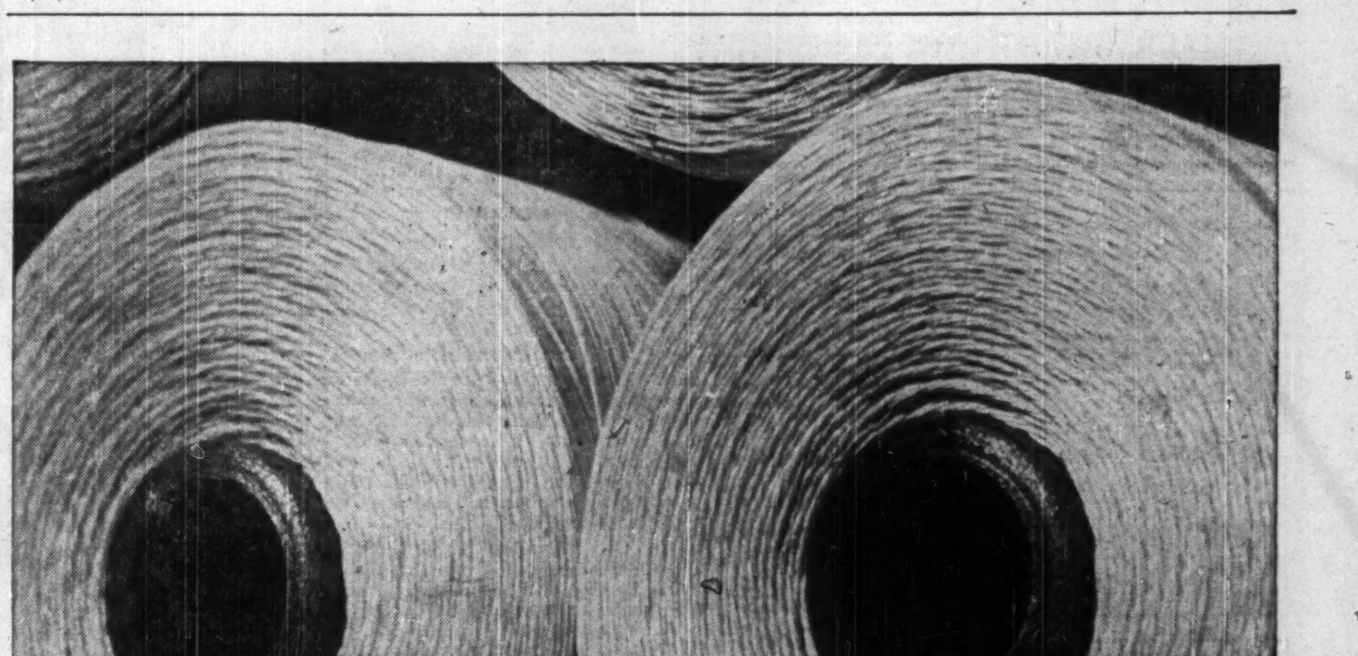

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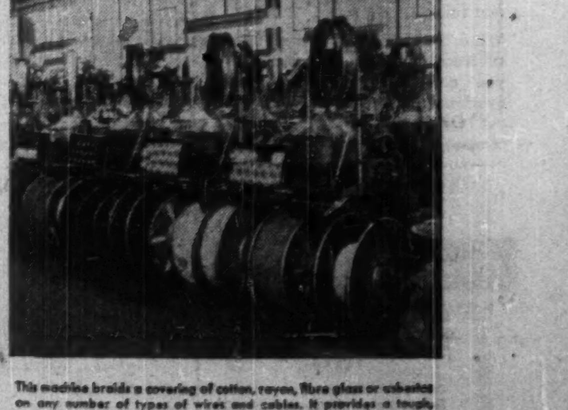

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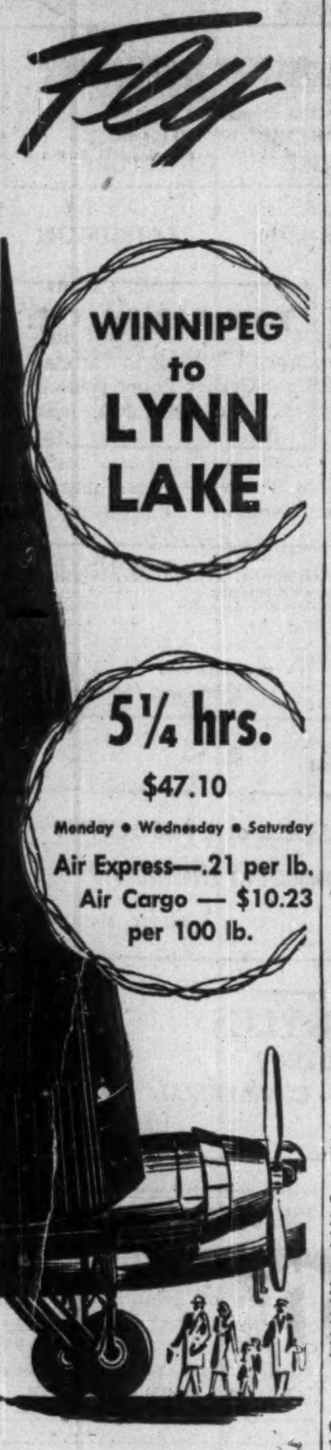

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CONSTRUCTION TRENDS By HARLEY POTTER

'It Floats' Is One Slogan Of Alberta Concrete Block

A worldwide British company is going to manufacture a Swedish lightweight building block in Alberta, in collaboration with Canadian oil men and financiers.

The material they will use is a chemically aerated lightweight concrete. Raw materials include lime and siliceous material both found in abundance in Alberta.

A new company, Alberta Ytong Manufacturing Ltd., will come into production with the material, trade-named Ytong, about May. Considerable plant equipment is being brought from Sweden.

It is stated that 70%-80% of all new homes in Sweden are built with lightweight concrete, mostly chemically aerated concrete. Ytong has been in production in Sweden for 24 years, and accounts for a large proportion of the market. It has also been made in other European countries.

Advantages of the material include: savings in weight, and thus in any frame needed to support it; fire-resistance; heat insulation;

Concrete . . . So light it floats.

low conductivity of sound. It can be sawed, nailed or drilled. It will take a direct finish of stucco on the exterior, plaster on the interior of the building, without lath or wire.

Alberta Ytong Manufacturer's financing was 50% local, 50% British. British backers are Steel Bros. & Co. and the National Mining Corp.

Who Directors Are

President of Alberta Ytong is Calgary oil man C. R. Walker. N. E. Tanner, former Alberta Cabinet Minister and president of Merrill Petroleums Ltd., is a director. (Walker is associated with Tanner as vice-president and managing director of Merrill Petroleums.)

Steel Bros. operate around the world in the sterling area, engage in general contracting, manufacturing and trading. Last year they bought control of Loders Lime Co., with plant at Kananaskis, Alberta. This firm will supply lime to Ytong's plant.

Plant will have an initial capacity of 100 tons a day of Ytong. It will turn out three standard densities, 41 lb. cu. ft. (compression strength of 850 lb. or more sq. in.), 31 lb. cu. ft. (425 lb.) and 25 lb. (215 lb.). The strongest blocks are for walls up to five stories (self-supporting Ytong walls five stories high are permitted in Sweden); the second type for two story houses; and the lightest block for insulation purposes and load bearing partitions. Roof slabs will also be manufactured. Wall panels of full story height can be made of reinforced Ytong.

The blocks will thus be light enough to float in water. (Ordinary concrete can weigh around 150 lb. cu. ft.)

Cost will make it "less expensive than competitive building materials," and labor costs will be lower because of lightness of the material.

Silica can be obtained from a variety of sources: sand, pumice, blast furnace slag, coal mine washery waste, fly ash, brick-rubble.

The Ytong blocks are cured in big autoclaves (industrial kettles) with high pressure steam. They can be shipped a short while afterward.

A very similar product will be made at Montreal by Dominion Tar & Chemical Co. next year (The Financial Post, May 9).

* * *

Three U. K. Contractors Compete For Job Here

The kind of keen competition Canadian contractors can expect from U. K. newcomers was illustrated in bidding for a Toronto harbor job.

Winner of the contract, with a bid of $1,348,656.15, was Sir Robert MacAlpine & Sons Canada Ltd., whose low bid was reported in the Financial Post, Nov. 14. MacAlpine's bid, it now develops, was less than $1,000 below the bid of a well-known Canadian contractor. Three other contractors were also close.

The two other British contractors who have recently entered business here were fairly low. They are Sir Lindsay Parkinson & Co., Toronto and Montreal, and Ridgway Marples Ltd., Montreal. (Marples have had an office at Montreal for some time in connection with West Indies work.)

Thirteen contractors bid in all. High bid was about $400,000 above MacAlpine's.

MacAlpine, like some other large British contractors, has had experience in dock work in countries outside the British Isles.

* * *

Another Producer In Steel Prefabs

Another producer has entered prefabricated steel buildings industry, Permasteel Engineering Ltd., a new company now turning them out at Vancouver.

Ownership is local. President and General Manager John Heffernan reports first production includes steel buildings for the logging, mining, marine, oil, construction and aluminum industries and public works projects. Company's erection division has completed buildings at the Kemano site on the Alcan project, the Vancouver plant of American Can, and the new Shell Oil refinery. They have also sold the RCMP and Department of Public Works.

* * *

Zone Apartments With Children

There's a way to escape the reputation of a stony-hearted landlord and still "protect" tenants from noisy children.

Zone the families with children.

This plan is being used in a 231-suite apartment development by Roy P. Rogers Enterprises Ltd. at Toronto. "For compatible living," some buildings will be reserved for couples without children and others will be rented to families with children.

The $2 million "suburbanized" project is part of the Don Mills Development which will ultimately house 30,000-35,000 people (The Financial Post, March 21). Rents for one-bedroom suites will be as low as $87; for two-bedroom suites, $97. Every living room in 21 two-and-half story buildings in seven deep U-shaped groupings will face the landscaped grounds (site covers 11 acres).

Install Giant Dosco Press

MONTREAL (Staff)— What's termed the most powerful press ever developed in Canada went into operation at Trenton Steel Works Ltd. (New Glasgow) N. S. this week.

A huge machine—four stories high and able to exert a 7,000-lb. pressure—will be used by the Dosco subsidiary to forge and upset heavy ingots. The 1,500-ton monster was built at Dominion Engineering Works Ltd., Montreal. Sale price has not been disclosed.

Using a 10-ft. working stroke, the machine can take a red hot 40-ton ingot and work it to specified size and shape, improving its quality in the process. The installation is part of a general modernization program now nearing completion at the eastcoast Dosco steel works.

ARCAN CORP. is the new name of Transvision Television (Canada) Ltd., formerly known as Cub Aircraft Corp. Head office is in Hamilton, Ont.

How Regina Is Tackling Its Traffic Headaches

From Our Own Correspondent

REGINA: The extent of Regina's traffic problem is reflected in the two main gripes of motorists; the 20-mile-an-hour speed limit and the fact that they often have to park six blocks from offices and stores.

To keep these complaints from getting more serious, the city has an advisory committee — the Regina Traffic Board, appointed in 1946 — whose sole function is to advise City Council on traffic matters. It's composed of three aldermen, four civic officials representing police, transit, engineering and law, and the manager of the Chamber of Commerce.

The Traffic Board has no authority but it has come up with many proposals that have done much to keep the city's traffic problem under control.

Working on the assumption that downtown streets ought to be kept as free as possible for shoppers, the Board has recommended and had installed 600 parking meters and another 49 off-street meters, some providing one-hour parking and some five-hour limits.

The Board has also engineered two city-owned free parking areas in the city's downtown section. Others were established but subsequently sold for private building.

Since the board went into operation, the first traffic lights appeared; the city now has 14 light-controlled intersections. Recent traffic counts at other traffic centres indicate further lights are in the offing.

Those are some of the concrete steps taken by the Traffic Board.

Influence on Legislation

Of equal importance has been its influence on city regulations. The city's zoning bylaw has been amended to require parking facilities included in any plan for a new office building or hotel in downtown Regina. Office buildings must provide 150 sq. ft. of parking for every 2,500 sq. ft. of office space and new hotels must provide one parking space for their first 20 rooms and one for every four thereafter. In addition, neighborhood theatres and apartment blocks must provide parking areas.

Regina's parking problem is not yet major but it may soon be. In the 10 years between 1941 and 1951 the city's population rose an official 10,000 to 72,000 and unofficially to more than 75,000. And these people now operate about 19,500 vehicles. That is one car for every four persons compared with the national average of one to every 4.6.

City officials take the view that increased regulations will alleviate immediate problems and suggest stricter traffic bylaw enforcement and greater emphasis on driver education programs.

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THE PROVINCIAL BANK OF CANADA

CONDENSED STATEMENT AS AT 30th NOVEMBER, 1953

ASSETS	Cash on hand and due from other Banks		$ 50,557,727.00
	Government and other public securities (not exceeding market value)		74,049,733.27
	Call loans		3,890,434.56
			$128,497,894.83
	Loans and discounts in Canada		80,621,136.67
	Liabilities of customers under acceptances and letters of credit (see contra)		256,845.28
	Bank premises		3,950,300.00
	Other assets		452,520.03
			$213,778,696.81
LIABILITIES	Deposits		$204,990,528.38
	Acceptances and letters of credit (see contra)		256,845.28
	Other liabilities to the public		219,864.99
	Total liabilities to the public		$205,467,238.65
	Capital, reserve and surplus		8,311,458.16
			$213,778,696.81
PROFIT AND LOSS ACCOUNT	Profits for the year ended 30th November, 1953, after appropriations to contingency reserves, out of which full provision for bad and doubtful debts has been made		$ 1,063,141.78
	Less:		
	Provision for Dominion Income Tax and Provincial taxes	$353,905.66	
	Depreciation of Bank premises	183,141.78	
	Provision for Staff Pension Fund	100,000.00	637,047.44
	Net profits after the foregoing deductions		$ 426,094.34
	Quarterly dividends—6% per annum	$284,339.12	
	Provision for a special dividend of 1% for the current fiscal year	47,409.44	331,748.56
	Amount carried forward		$ 94,345.78
	Balance of Profit and Loss Account 30th November, 1952		635,964.82
			730,310.60
	Amount transferred to Reserve Fund		550,000.00
	Balance of Profit and Loss Account 30th November, 1953		$ 180,310.60

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LABOR ROUNDUP

By TREVOR LLOYD

Champions Or Exploiters?

Red-led Union Hears Some Strong Talk from Labor Board

One of the most sharply worded indictments of a Canadian Communist-led union comes from the Manitoba Labor Board.

The Board has referred to the International Fur and Leather Workers Union as an organization "whose ideological direction is exploitation of the masses in the guise of being their champions."

The indictment had another edge to it. The Board criticized the Winnipeg laundry industry for its wage policy that made employees easy targets for union exploitation.

The IFLWU is headed in Canada by Robert Haddow, a member of the Quebec executive of the Labor-Progressive Party. It is one of the smaller of the remaining Red-led unions in the country, with a membership of about 6,000. But recent actions in Winnipeg show it is far from dormant.

The story leading up to the sharp Board report started in Winnipeg about two years ago. The IFLWU applied for certification in a number of laundering plants in the Manitoba capital, despite a clause in its contract that says members must be employed in the fur and leather industry.

The application was rejected on the basis of this clause. The Manitoba Labor Board ruled at the same time that it had no authority to reject the application of the Communist leadership allegation.

However the union was not deterred. It promptly formed the Laundry and Dry Cleaning Workers Union and in this name applied again. This time it couldn't obtain the necessary majority of employees and again the application was rejected.

But even this failure had no effect on union aims. By threatening what would be a completely illegal strike, it forced one firm into recognition without certification. This company signed an agreement that was to go into effect when the whole industry was signed up. So far it has not become effective.

When the union tried the same power play on another firm, the move backfired. An illegal strike was called, production continued, and then the company obtained an injunction that ended the strike. In other establishments, other unions were formed and certified.

The latest action involves another firm where the union does not have certification but where it did, according to the Board, call for a sitdown strike if any employee-member were disciplined by the company. When one girl failed to appear for work last Oct. 1 and was later told she had been replaced, six others sat down on the job for two hours. Later they all refused to work customary overtime and were told this amounted to resignation.

As a result of this, the union laid "lockout" charges against the company but the charges were dismissed by the Board Dec. 8. A second application by the union, for authority to charge the company with violation of the Manitoba Labor Relations Act, was approved with the Board noting such approval did not necessarily mean the act had been violated. That decision is up to the courts.

In its ruling, the Board found there was no lockout and that, in fact, the girl's refusal to work constituted a strike in that it was action aimed at pressuring the company into agreeing to certain working conditions.

The Board stressed the fact that the action was the responsibility of the union: ". . . the union which advised these employees has consistently refused to recognize or abide by the Act and the strike is directly the responsibility of the union." Later the strike was said to be "obviously dictated by a union which was using every possible means to force the employer to negotiate with it, while the union itself declined to prove that it . . . had the support of the majority of the employees."

Naming Emil Walterson as the leading figure in the union actions, and noting he had appeared before the Board earlier as a labor expert, the report said:

"Therefore, in counceling these girls to break the law, and in his circularizing of the company's customers with scandalous and libelous letters, it cannot be said that Emil Walterson did not know what he was doing. It was deliberate flouting of the law under which he now 'champions' the cause of the girls whose dismissal he himself brought about."

And later in the report:

"The Board feels it should record its feeling that much of the turmoil in which the laundry industry operates is due to the fact that, for years, the industry has, all over the North American continent and elsewhere, been among the very lowest-wage industries. Specifically in Manitoba, few of the rank-and-file employees earn any appreciable amount over and above the minimum rate stipulated for inexperienced employees. Inevitably, this makes the industry an easy target for labor trouble, particularly trouble fomented by an organization whose ideological direction is exploitation of the masses in the guise of being their champions. This is what has happened . . . and will continue to happen until the industry works out ways and means of paying more wholesome wages.

"Meanwhile, there must be sympathy for the badly-advised ex-employees who have been callously used as pawns in a struggle for power by this union, and who when they were working had little or nothing to hope for beyond subsistence wages."

* * *

Labor Briefs

Another rubber company has followed the lead of Goodyear Tire and Rubber Co. (The Financial Post, Nov. 21) in signing a contract with its union that provides added fringe benefits but no pay increase. Seiberling Tire and Rubber Co.'s 1954 contract with the United Rubber Workers of America includes pay for lunch periods, bringing the time paid for in a week to 40 hours from 37½, stipulates time and a half for Saturday work, double time for Sundays, time and a half plus regular time for holidays and eight statutory holidays. There has been no time lost because of labor trouble in the Seiberling plants since 1946.

* * *

Settlement this week of a wage dispute between the Toronto Transportation Commission provides for a 12c hourly increase over a period of 27 months for its 2,700 operators, the biggest single group among its 4,300 employees. Rate at the end of the period will be $1.63. Two additional holidays bring the annual total to six.

* * *

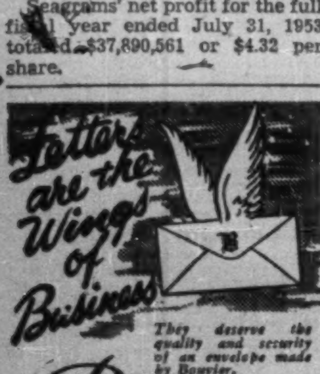
Canadian labor income has zoomed past the $1 billion mark for the first time. Dominion Bureau of Statistics shows the September total at $1,012 millions, up $19 millions from the previous month.

Lower Taxes Help Seagram Position

MONTREAL (Staff) — Lower taxes offset a slight drop in operating profit of Distillers Corp.-Seagrams Ltd. for the three months ended Oct. 31. As a result, consolidated net profit at $11,995,003 was up slightly from $11,942,136 a year earlier, and was equal to $1.36 per share vs. $1.35.

Profit after all operating charges decreased to $25,495,003 from $26,292,136, while income and excess profits taxes dropped to $13,500,000 from $14,350,000.

Seagrams' net profit for the full fiscal year ended July 31, 1953 totaled $37,890,561 or $4.32 per share.



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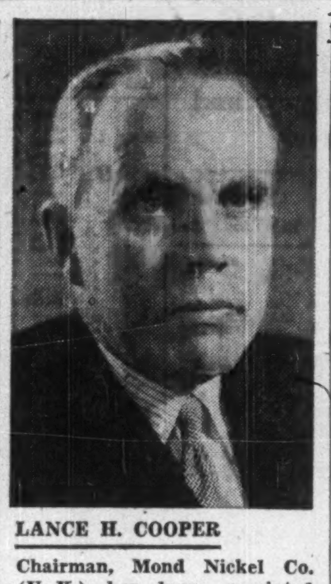

LANCE H. COOPER

Chairman, Mond Nickel Co. (U. K.) has been appointed vice - president, International Nickel Co. of Canada Ltd.

CEA Lauds Oats Compromise, Deplores Restriction Need

Canada's decision to restrict oats exports to the U.S. in the coming year was this week described by Canadian Exporters Association president Stewart A. MacKay-Smith as "evidence of a continuing co-operative and sympathetic approach to U.S. and Canadian trade problems."

But, he added, while the CEA recognizes merit in the decision it "deplores the fact that restrictive measures of any sort are considered or resorted to since they do not add to, but can only detract from, expanding volume of trade."

Mr. MacKay-Smith's statement added:

"It is encouraging to note that the recommendation of the U.S. Tariff Commission to President Eisenhower to restrict Canadian imports by quota was not acted upon without further reference to Canadian authorities.

"This certainly seems to indicate a desire to reach a practical and workable compromise on the part of the United States rather than to resort to purely restrictive devices."

Approve Tooke Revision Plan

MONTREAL (Staff)—The plan of Tooke Bros. Ltd. to revise capitalization and distribute new preferred shares to common shareholders was unanimously approved at a special meeting held last week.

Under the plan, each holder of one common share will receive five shares of prior preferred stock, one share of $6 par redeemable preferred stock and one new common share. The prior preferred shares will then be redeemed by issuance of one $100 5% sinking fund debenture for each 100 prior preferred shares held.

The preferred share distribution will be carried out under Section 95A of the Income Tax Act by capitalization of undistributed income.

What's New

New Products, Applications and Ideas Gathered from World-Wide Sources or Made in Canada for the First Time

No Singing In Shower

Are water bills mounting? Special valve is designed to hurry occupants out of the shower. Shutting off after a 60 second rinse, it only goes back on with a push button.

* * *

Lingering Light

Safety light for motor cars, operated by a push button on the dashboard, lights the way to the house after main car lights have been extinguished and then automatically turns off a minute and a half later. Easy to install, it saves a good deal of groping in the dark.

* * *

Ghostly Service

Water dispenser serves cool liquids through "closed doors." Placed near the handle of the refrigerator door, it is connected to a plastic container inside the door. When a glass is pressed against the dispenser, the liquid will pour. Serves most liquids other than milk.

* * *

Smoke Server

Tiny magnet, shaped like a regular cigarette, solves the universal problem for "busy" smokers. When placed in a packet of cigarettes, it makes the box stick to metal. Hence it will stick to the dashboard when you're driving, or to any metal accessory when you're working with tools. Also useful for picking up tiny parts.

* * *

Emergency Bed

Collapsible bed is easily assembled or disassembled, and when packed in its sturdy, matching cardboard box is only 28 in. x 12 in. x 3.5 in. in dimension, and weighs just 15.5 lbs. The bed's bake-enameled frame consists of welded, seamless-drawn steel tubes ¾ in. in diameter which can be put together without the use of a single tool. Measuring 77 in. x 27½ in. x 13¾ in. when set up, it can be used for a host of emergencies. A one inch mattress, made to fit the bed and fitted with Java kapok, can also be supplied.

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* * *

Natty Mat

Bathmat, made of nylon, is said to stay clean longer than other kind since the nylon does not absorb dirt. Sturdy and machine washable it is described as fluffy and soft. Together with matching lid cover it comes in a variety of colors including pink, blue, green, yellow, silver, fir-green, geranium, natural and dubonnet. Provided in standard size of 21 in. x 36 in.

* * *

New Catalogues

Bristol Co. of Canada, Ltd., Toronto, sole Canadian representatives of Kieley & Mueller Inc., of Middletown, N.Y., announce two new catalogues. Booklet No. CV-53 describes diaphragm operated control valves. Booklet No. P-1260 gives information concerning control systems for furnaces, ovens, dryers and kilns. Both pamphlets are well illustrated.

Dominion Rubber Co., Montreal. Booklet issued by mechanical goods division of this company describes Uscolite plastic pipe fittings and valves. Catalogue lists both physical and chemical properties of Uscolite and includes complete directions for handling and installing in use.

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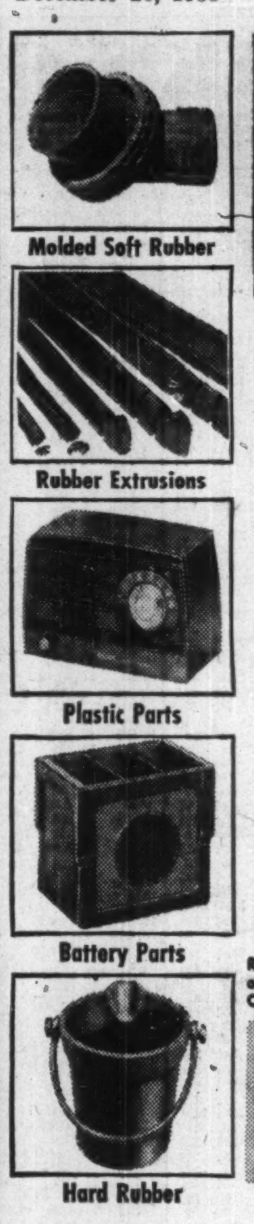

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With over 30 years' experience in custom molding and extruding *plus* the facilities of one of the largest and finest-equipped tool shops in Canada, STOKES is able to develop and produce a component part that will do the best job . . . in hard or soft rubber, or plastics . . . whether the need is for resilience, long life, strength, resistance to abrasion, tearing or weathering.
WE INVITE ENQUIRIES from manufacturers about their rubber or plastic requirements. Our engineers will gladly assist in redesigning or converting your part for molding or extrusion.
Rubber Extruders and Custom Molders of Hard Rubber, Soft Rubber and Plastics Complete Facilities for Precision Tooling
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STOKES DIVISION THE GENERAL TIRE & RUBBER COMPANY OF CANADA LIMITED WELLAND ONTARIO
THE GENERAL TIRE

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"... and these Canadian locks are the busiest in the world!"

THREE HUNDRED years ago, the shores of the St. Lawrence and Great Lakes were the hunting grounds of Indian tribes. Today, this thousand-mile waterway to the sea is a transportation route for one of the most highly industrialized areas on the globe—serving some 95,000 square miles of thriving commerce.

MORE SHIPPING threads its way through the canals and locks from the upper St. Lawrence to Lake Superior than through all other locks and canals in the world. Most of the vessels are owned and operated by Canada Steamship Lines or were built by the Company's shipyard subsidiaries.

FROM THE TRANSPORT of furs by precarious canoe, to the shipping of lumber, ore, coal, grain, petroleum and vast quantities of bulk and package freight, the development of navigation through the heart of Canada is largely a part of Canada Steamship Lines' own history.

IT IS OVER a hundred years since the original company launched a small vessel and barge to establish communication between the Quebec farmers and Montreal. Today C.S.L. transports more tons of produce than any other Canadian company.

MUCH OF OUR LAND'S riches is shipped by Company vessels, stored and distributed by Company terminals.

Canada Steamship Lines Limited

759 Victoria Square • Montreal
Branch Offices in principal cities in Canada and the United States and in London and Liverpool, England

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING DECEMBER 18, 1953

Range 1953 High	Low	Div. R'te $	Y'ld Dec18 %	Company	Sales	Last Dec. 11	Week end. Dec. 18, 1953 H	L	Close
17	12½	*.30	...	Abitibi	13951	16¼	16½	16¼	16½
26¼	25	1.50	5.7	Do. $1.50 pref	1305	25½	26¼	25½	26¼
7¼	6	.50	7.7	Acadia Atlan.	65	6	6¼	6	6¼
102	96½	5.00	5.0	Do. 5% pref.	30	100	100	99¼	99¼
18¼	16¼	1.20	6.9	Do. A pref.	25	17¼	17¼	17¼	17¼
10	8	.55	6.1	Agnew Surp. p	5	9	9	9	9
3.85	3.00	•	...	Alta. Con. Gas	4050	3.70	3.65	3.25	3.30
2.40	1.50	•	...	Albt. Dist.	800	2.10	2.00	1.90	2.00

Range 1953 High	Low	Div. R'te $	Y'ld Dec18 %	Company	Sales	Last Dec. 11	Week end. Dec. 18, 1953 H	L	Close
12¼	9¼	†.40	...	Inglis, John	465	9¼	9¼	9¼	9¼
6¼	4¼	*.10	...	Inter. Bronze	250	5¼	5¼	5¼	5¼
18¼	15	1.50	9.5	Do. pref.	60	16	16	15½	15½
34½	26¼	1.60+*.40		Int. Metal Ind.	329	33¼	34	33¼	33¼
100	94	4.50	4.6	Do. pref.	15	100	98½	98½	98½
46¼	34½	▲2.00+†.35		Inter. Nickel	23749	34½	34½	33½	34¼
131	127	▲7.00	...	Do. pref	1270	128	128	127½	128
6¼	6	▲7%	...	Do. $5 pref.	100	6¼	6¼	6¼	6¼
57	47¼	▲3.00■	..	Int. Paper	2316	53¼	56¼	53	55
...									
16½	12¼	*.20	...	Wabasso Cot.	210	12¼	12¼	12¼	12¼
51	43	3.00+†.75		Walker-Good.	8684	49	51	48½	50½
4.60	4.25	.	...	Waterous Ltd.	900	4.50	4.60	4.50	4.50
41¼	40¼	.	...	Do. (A)	10	40¼	40¼	40¼	40¼
24	20	†1.20+.20		Westeel	225	20	20	19¼	20
17¼	12½	1.00	5.8	W. Can. Brew.	426	17¼	17¼	17¼	17¼
60	46¼	*1.00	..	West Grocers	25	55	60	60	60
36	32¼	2.00	5.7	Do. (A)	10	36	35	35	35
30	28	1.40	5.0	Do. pref.	55	28	29¼	28	28
15	10½	.50	3.6	Westmin'r P	700	15	14	13½	13½
34¼	26¼	1.00	2.9	Weston, George	405	34	34¼	32¼	34¼
99¼	91½	4.50	4.7	Do. 4½% pref.	90	95¼	95¼	95¼	95¼
35	30	†.50	...	Windsor Hotel	18	34	33	33	33
100¼	95	5.00	5.1	Winnipeg El p	40	98	98	97¼	97¼
8¼	5	.	...	Winn. Gas	2885	[illegible]	7½	7¼	7½
6¼	5¼	.60	10.0	Wood, Alex.	100	6	6	6	6
4.50	2.90	•	...	York Knit. A.	125	2.90	2.90	2.90	2.90
1.65	1.00	.	...	Do. (B)	200	1.10	1.25	1.25	1.25
23	18¼	.80+*.10		Zellers	1250	20¼	20¼	20¼	20¼
26½	25	1.25	4.8	Do. 5% pref.	50	26¼	26	26	26
29¼	25	1.50	5.4	Do. 6% pref.	10	28	28	28	28

▲U. S. funds. ▲▲Participating divd. •Dividend deferred. ■Plus stk divd. §§1 share 3% pref. stock for each Class A or B. §Paid or payable in 1952. †Paid or payable in 1953. ♦♦Initial. **After stock split. ♦Before stock split. ♦Shown in francs. *Paid or payable in 1954.

Mining Stocks

Week Ended December 18

Range 1953 High	Low	Div. Rate $	Yield Dec. 18 %	Company	Sales	Last Dec. 11	Week Ending Dec. 18 High	Low	Close
2.20	.60	.....	....	Beaver L'ge.	8,000	.62	.63	.60	.63
.72	.15	.....	....	Bellekeno	8,000	.16	.15½	.15	.15½
.84	.27	.....	....	Belville	3,500	.33	.33	.31	.32
.73	.35	.....	....	Beta Gam.	8,350	.40	.40	.39½	.39½
1.00	.24½	.....	....	Bevcourt	56,320	.28	.28	.24½	.27
.30	.07½	.....	....	Bibis-Yuk.	9,300	.09½	.09½	.08½	.09
.14	.05½	.....	....	Bidgood	17,207	.06	.06	.05½	.05½
.57	.19	.....	....	Bobjo	18,100	.23	.26	.22	.25
1.10	.02½	.....	....	Bonville	21,500	.15½	.18	.15	.15½
.20	.06½	.....	....	Bordulac	18,500	.08	.07½	.06½	.06½
...									
.80	1.05	.39	.....	Marigold	7,900	.43	.45	.40	.40
.06	.02½	.....	....	Marvel	500	.02½	.03	[illegible]	.03
.82	.28	.....	....	Marwayne	2,000	.33	.28	.28	.28
.39½	.12	.....	....	Maygill	2,000	.13½	.13½	.13½	.13½
.31	.10	.....	....	McD. Segur	5,460	.11	.13	.10	.13
12.00	8.00	§.50	....	McIvor Dr.	100	8.75	8.00	8.00	8.00
.25	.07	.....	....	Mercury	2,000	.10½	.11	.10	.11
5.45	2.00	.....	....	Merrill Pet	167,637	4.95	5.45	4.85	5.35
.56	.14	.....	....	Mic Mac	12,750	.21½	.22	.20	.22
.84	.52	.....	....	Midcont	10,290	.60	.60	.52	.53

(Continued on next page)

Oil Stocks

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Dec. 21	217,000	1,563,000	71,166	......	2,210,000
Dec. 18	134,100	1,348,000	72,650	123,834	1,970,000
Dec. 17	236,669	1,559,000	96,691	77,797	2,020,000
Dec. 16	231,800	1,728,000	104,785	67,810	2,320,000
Dec. 15	272,500	1,694,000	77,824	65,903	1,870,000

STOCKS NOT TRADED THIS WEEK

Company	Div. Rate $	Last sale	Dec. 18 Bid	Ask
Mount Roy Ltd.	.60			
Nat. Hosiery A	.20			
Nat. Lead	▲1.00+†.75			
Neon Pr. of W C.	1.00+†.20			
North Can. Mtge.	†2.50			
Nor. Trusts	.80			
Nuclear Ent.	..			
Office Spec.	.40+†.20			
Ogilvie Flour pref.	7.00			
Ont. Beauty Sup.	..			
Do. pref.	..			
Ont. Steel pref.	7.00			
Pac. Coast Terms.	..			
Paton Mfg.	.80			
Do. pref.	1.40			
Paul S.S.	§.10			
Photo Eng.	1.50+†.50			
Pitt Plate Glass	▲†1.06			
Power Corp pref.	6.00			
Premier Trust	4.00			
Pressed Metals	▲†1.00■			
Price Bros. pref.	4.00			
Quebec Tele. A	.73			
Quinte Milk B	†.10			

Mining Stocks

OIL STOCKS

Company	Div. Rate	Last sale	Dec. 18 Bid	Ask
Realty	...	.04½	.04½	.04½
Sage	...	.15	.13½	.14½
So. West Pete.	...	.40	.40	...
Sunset	...	.27	.27	.30
Transfield	...	.05	.04	.05
Turner V.	...	.30	.25	.35
W'Burne	...	.70	.65	.70

*U. S. funds. †Paid or payable in 1953. §Paid in 1952. ♦Dividend deferred. ■Paid or payable in 1954.

Investment Trusts

	Divd. pd.▲ cents	Bid $	Ask $
Affiliated Funds	....	4.93	5.33
Balanced Mut.	‡13(50)	3.81	4.19
CanaFund	110(110)	22.79	23.82
Can. Invest. Fund	20(28)	5.97	6.55
Com'wealth Int.	23(25)	4.92	5.41
Corporate Inv.	25(26)	5.50	5.98
Div'sified Inc. shs.	11(05)	2.30	2.50
Dom. Equity Inv.	18(15)	10.35	10.59
Grouped Inc.	19.1(7)	4.63	5.06
Intl. American	......	10.66	11.71
Investors Mut.	28.5(28.5)	6.39	6.91
Leverage Fund	21(17)	3.50	3.85
Mut. Ac. F.‡	14.27(17.99)	3.68	4.00
Mutual Income	20.91(12.29)	3.38	3.67
Resources of C.	20(21)	4.81	5.29
Timed Invest.	15(20)	†4.35	*4.35
Trans-Can. A	77(87.8)	17.70	...
Do. B	81(96.4)	17.55	...
Do. C	17.2(20)	3.65	3.95

†Less or (*) plus stock exchange commission.

▲Paid or payable in 1953; total paid in 1952 in brackets.

‡After 4-for-1 stock split.

Company Meetings

Date	Company	Place
Dec. 24	Commonwealth Pet.	Calgary
Dec. 24	Rundle Oils	Calgary
Dec. 28	Taku River G. M.	Vancouver
Dec. 28	Spring Coulee Oil Corp.	Calgary
Jan. 5	MacMillan Bloedel Ltd.	Vanc'ver
Jan. 7	Laurentide Acc. Corp.	Montreal
Jan. 12	Bk. Cdn. Nationale	Montreal
Jan. 12	Laura Secord C. Shops	Montreal
Jan. 14	Kelvinator of Can.	London
Jan. 14	Royal Bank	Montreal
Jan. 20	Bank of Toronto	Toronto
Jan. 20	B.C. Forest Products	Vancouver
Jan. 22	Foreign Power Sec. Corp.	Montreal

Bond Tenders

12 noon, Dec. 17, 1953, Government of Canada Treasury Bills—Payable Mar. 19, 1954 and Sept. 17, 1954, $40,000,000. Dated Dec. 18, 1953.

Unlisted Stocks

Compiled by Intercity Securities Corporation Limited, Toronto

December 21, 1953

	Bid	Ask
Algoma Cent. & H. B. Rly.	10.00	10.75
Do. pfd.	1.00	1.75
Allens Toronto units	43.00	....
Anglo Can. Telephone A	10.50	11.00
Ash Temple Limited	1.50	2.00
Bowes Ltd. 1% pfd.	.70	.80
Brinton Peterboro Carpet	48.00	53.00
B. C. Sugar	89.00	92.00
British Mtge. and Trust	205.00	220.00
Brockville Trust & Savings	62.50	65.50
Can. Crushed Stone 6% pfd.	89.00	95.00
Canada Life	78.00	80.00
Can. Consol. Grain units	80.00	....
Can. Delhi Pete	11.75	12.35
Can. Foreign Securities	9.00	11.00
Can. Gen. Sec. pfd.	.80	....
Cdn. Motor Lamp	18.00	20.00
Can Superior Oils	7.35	7.85
Can. West Nat. Gas pfd.	16.25	17.25
Capital Wire Cloth com.	15.50	20.50
Carlton Club	90.00	96.00
Chase, A. W. units	50.00	....
Coleman Collieries A	.20	....
Do. B	.20	.25
Colonial Steamships com.	232.00	242.00
Do. pfd.	72.00	73.00
Commercial Finance Corp.	35.50	37.50
Commercial Life 10% paid	10.75	11.50
Concourse Bldg. V.T.	30.00	....
Confederation Life	55.50	58.00
Crown Life Ins.	760.00	800.00
Deben. & Securities 5% pfd.	90.50	93.00
Dennisteel Corp.	1.75	....
Do. 7% pfd.	4.50	....
Detroit Internat. Bridge	33.00	34.25
Dom. General Insurance	205.00	....
Dom. Manufacturers	1.25	....
Do. pfd.	90.00	....
Dom. Royalty Corp.	.34	.39
Dover Industries	9.25	9.75
Essex Packers com.	1.65	....
Do. pfd.	30.00	....
Galt Brass	38.50	....
Goderich Elevator & Trans.	21.50	22.50
Granite Club	13.50	14.25
Gt. Britain & Can. Inv.	3.75	4.25
Great-West Life Assurance	73.50	75.50
Guardian Realty pfd.	67.50	....
Halifax Insurance	11.75	....
Heaps Waterous com.	1.50	2.00
Highland Dairy 5% pfd.	....	54.00
Homewood Sanitarium	....	97.00
Hudson's Bay Co.	11.80	12.20
Imperial Life Assurance	43.00	45.50
Industrial Mtge. & Trust	63.00	70.00
Ingram & Bell pfd.	104.00	....
Internat. Holdings com.	12.85	13.50
Jenkins Bros. com.	26.50	....
Ladies Golf & Tennis	12.75	....
Lambton Golf	140.00	160.00
Lambton Loan Sarnia	73.00	77.00
Lawson & Jones 1% pfd.	.35	.60
Lond. Can. Inv. $3 pfd.	43.00	45.00

	Bid	Ask
Manufacturers Life Ins.	68.00	70.00
Medical Arts Bldg. Toronto	42.50	43.50
Mississauga Golf	18.00	20.00
Monarch Life 40% paid	151.00	156.00
Nat. Sewer Pipe new pfd.	10.00	....
Niagara Lower Arch B.	63.00	....
Northern Tel.	1.40	1.55
Paramount Oshawa Th. com.	12.50	....
Park Lawn Cemetery	1.30	1.65
Ponder Oil warr.	.25	.35
Provincial Gas Co.	65.00	....
Prudential Trust	15.00	18.00
Reliance Pet. pfd. A & B	20.00	....
Ritchie Cut Stone pfd.	12.00	....
Robin Jones Whitman pfd.	25.00	....
Sawyer Massey com.	3.50	....
Scarboro Golf	12.00	....
Sec. Stand. Royalties pfd.	.04	.05½
Sincennes McNaught. Lines	2.50	3.00
Skyway Drive-In Theatres	1.00	1.40
South Winnipeg Ltd.	2.50	2.85
Sovereign Life 25% paid	63.00	66.50
Standard Fuel pfd. 4½%	35.00	36.00
Do. com.	3.00	4.00
Stanfields Ltd. A	10.00	11.00
Do. B	9.00	....
Summit Golf	14.00	....
Sun Life Assce.	151.00	156.00
Toronto Housing	5.25	....
Toronto & London Invest.	2.25	2.60
Union Accept. $1.20 pfd.	20.50	21.50
United Co-op's Ont. pfd.	3.00	....
United Steel 6% pfd.	25.25	26.00
Universal Cooler com.	3.50	4.25
Do. 6% pfd.	77.00	83.00
Waterloo Manufacturing	7.00	7.50
Western Assurance com.	95.00	100.00
York Trading com.	16.50	20.00
By Kippen and Company Inc., Montreal		
Algoma Cent. & Hud. Bay Rly: com.	10.25	11.00
Beauharnois Lt., H. & Pwr.	31.00	....
Cooksville A	19.00	....
Do. B	15.00	....
Cuban Canadian Sugar	5.00	....
Dupuis Freres pfd.	14.50	16.00
Foreign Power pfd.	26.00	28.00
Guarantee Co. of N. Amer.	375.00	....
Hart Battery com.	7.50	9.50
Hudson's Bay Co. (new)	11.75	12.12½
Laprairie Co. com.	24.00	....
Do. pfd.	98.00	....
Maritime T. & T.	15.00	16.00
New Brunswick Tel.	11.75	12.75
S. Nord Chemical Co.	.70	....
N. S. Light & Power	21.00	23.00
Ont. & Que. Rly. 5% c. stk.	117.00	123.00
Provincial Bank of Canada	14.50	15.25
Prudential Trust Co.	15.00	....
Sherbrooke Trust Co.	140.00	....
Strategic Materials	5.00	6.00
Sun Life Assurance Co.	153.00	158.00

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 11	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 14	Beverages 10	Bldg. mater. 16	Power and traction 11	Banks 8	Total utilities 15	Total co's 105
*1935 to date:												
High	474.1	613.5	155.2	173.6	410.5	138.5	479.9	312.5	150.9	180.2	176.9	186.2
Low	69.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1953 Monthly Figures:												
Jan.	432.9	502.5	132.6	117.3	279.0	115.2	382.5	293.6	146.3	162.0	167.9	172.3
Feb.	419.9	494.4	133.4	143.0	269.4	117.0	387.0	291.0	146.2	164.8	166.0	169.0
Mar.	415.5	501.9	130.6	145.3	261.5	117.8	396.8	293.3	147.0	165.9	167.7	170.0
Apr.	382.7	472.6	130.4	136.8	247.7	118.2	384.4	282.2	144.8	163.0	161.0	160.3
May	381.6	471.0	128.3	134.6	235.1	118.2	395.9	275.1	143.4	166.3	160.4	159.8
June	378.9	471.9	128.8	127.4	217.6	118.3	388.1	270.7	140.9	168.4	157.5	156.8
July	394.9	494.9	129.8	129.3	202.7	124.3	406.6	276.5	141.9	169.1	157.9	160.7
Aug.	396.9	518.9	136.4	131.3	211.5	125.7	411.4	283.8	142.9	171.7	154.6	161.2
Sept.	375.2	509.2	132.8	120.8	199.4	123.2	397.8	269.4	141.5	171.6	148.1	152.9
Oct.	374.3	503.3	131.3	116.5	180.9	123.8	400.8	267.0	142.0	166.5	149.0	150.9
1953 Weekly Figures:												
Nov. 5	394.7	522.6	131.8	121.2	178.4	124.3	416.7	275.3	142.7	174.5	151.5	156.4
Nov. 12	395.2	530.4	132.4	118.7	183.3	124.1	421.4	273.8	138.4	174.3	149.3	154.2
Nov. 19	389.4	535.1	130.3	116.4	172.2	124.1	415.8	273.7	139.9	176.3	148.4	153.3
Nov. 26	391.4	547.4	130.0	115.0	166.0	125.7	417.8	271.6	130.5	176.6	148.4	152.7
Dec. 3	395.8	547.8	130.0	120.3	183.1	124.9	419.4	277.0	133.3	181.8	148.4	155.6
Dec. 10	391.4	540.1	129.2	120.2	187.4	122.3	416.1	275.5	132.9	180.2	146.9	153.3
Dec. 17	396.2	544.2	128.5	120.3	182.0	121.1	424.3	276.7	133.5	179.1	147.7	154.2

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
Dec. 21	312.80	66.53	139.42	85.51
Dec. 18	313.70	66.67	140.14	85.36
Dec. 17	313.63	66.25	140.22	86.10
Dec. 16	312.52	66.51	140.05	86.42
Dec. 15	310.13	66.46	139.75	85.84
Month Ago	308.18	67.67	144.29	87.51
Year Ago	318.99	82.36	173.59	125.32
1953 High	326.81	87.01	185.69	128.51
1953 Low	296.79	66.01	138.38	83.17

Montreal Stock Exchange Index

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Dec. 21	93.4	184.2	153.9	768.97	49.69
Dec. 18	93.7	184.5	154.2	769.05	49.60
Dec. 17	93.4	184.7	154.2	768.24	49.58
Dec. 16	93.0	184.2	153.8	766.53	49.63
Dec. 15	93.0	183.2	153.1	761.71	49.73
Month Ago	93.9	178.2	150.1	763.54	49.87
Year Ago	90.4	204.0	166.1	705.25	63.94
1953 High	96.6	212.5	173.0	782.46	66.32
1953 Low	91.1	174.6	147.2	630.76	48.61

Dow-Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
Dec. 21	282.99	96.38	52.70	107.18
Dec. 18	283.54	97.02	52.58	107.44
Dec. 17	282.67	96.97	52.57	107.24
Dec. 16	282.87	96.95	52.61	107.29
Dec. 15	279.52	95.78	52.62	106.26
Month Ago	275.42	96.22	51.70	105.23
Year Ago	286.52	111.46	52.33	112.41
1953 High	293.79	112.21	53.88	113.96
1953 Low	255.49	90.56	47.87	98.24

Government Bonds

Dec. 22, 1953 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	Mar. 1954	100¾	101¼
3	Nov. 1956	99½	99¾
3	May 1957	98	98¾
3	Jan. 1959	96½	97¼
3	June 1960	96½	97
3	Feb. 1962	95½	96
3	Oct. 1963	94½	95
3	Sept. 1966	93½	94¼
Dom. of Can. Bonds:			
3	June 1958	97	97½
3¼	June 1966	95¾	96¼
3	Perpetual	†85½	87
2¾	June 1968	89½	90
3¼	Jan. 1975/78	98¾	99½
Can. Nat. W. Ind. S.S.:			
3	Mar. 1955	●101	102¼
Grand Trunk Pacific Rly.:			
3	Jan. 1962	●97¾	98¾
4	Jan. 1962	●103½	105½
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959	96¼	97¾
4½	Feb. 1956	●101¾	102¾
5	Feb. 1954	100	100¼
4½	June 1955	●101¼	102¼
2¾	Jan. 1967	89	90
2¾	Sept. 1969	89	90
3	Jan. 1966	92½	93¾
4½	July 1957	103½	104¼

%	Due	Bid	Ask
Prov. Govt. Bonds			
Alberta:			
2¾	Mar. 1970	♦91¼	93¼
British Columbia:			
4½	Jan. 1969	♦106½	108½
3	Dec. 1960	94	96
3	June 1964	90½	92½
5	Sept. 1959	106¼	108¼
B. C. Power Comm.:			
3	Oct. 1967	87¼	89¼
Manitoba:			
4	Dec. 1957	♦100¾	102¾
5	Dec. 1959	♦106½	108¼
5½	July 1958	104	106
3	Oct. 1965	89	91
4½	Dec. 1956	♦102¼	103¼
New Brunswick:			
4½	Apr. 1961	♦101½	103½
2¾	June 1966	83¾	85½
3½	May 1957	96½	98
3½	Sept. 1965	91½	93
Nova Scotia:			
4	Nov. 1960	♦103	105
5	Mar. 1960	♦104½	106½
3½	June 1963/65	92½	93¾
3	June 1956/58	95½	96¾
2¾	June 1965/68	83¼	85¼

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69	84	86
4	June 1962	●101½	103
4½	Jan. 1962	♦105	106½
2¾	July 1967/76	81	84
3	Nov. 1963/65	90¾	91¾
5	May 1959	●106	107½
Ont. Hydro Commission:			
4	Aug. 1957	●101	102¾
2¾	Oct. 1965/68	86	87¼
3	Dec. 1963/65	90½	91½
3	Nov. 1967/69	88	89¾
Prince Edward Island:			
3	Oct. 1965	88½	90½
Quebec:			
3¼	Mar. 1954/59	97¼	98¾
3¾	Feb. 1952/55	100	100¾
4½	Aug. 1958	100¼	102¼
4½	Jan. 1963	102	104
3	Sept. 1962/64	91½	93
Quebec Hydro Commission:			
3	Feb. 1969/73	86½	88
3	Dec. 1958/60	94	96
Saskatchewan:			
4	Nov. 1955/60	99	100¼
5	Aug. 1958	103	105
4½	Mar. 1960	♦103¾	105¾
5	Dec. 1959	♦106	107½
3	Mar. 1963	90½	92¼
3½	Nov. 1960/62	92½	94¾
3½	Oct. 1962/65	96	98
Newfoundland:			
4½	July 1964	101½	103½

♦Payable Can. or N.Y. ●Payable Can., N.Y. or £. †Callable on or after Sept. 15, 1966.

Unlisted Mines, Oils

(By the Broker-Dealers' Ass'n of Ontario)

Approximate quotations, 3.30 p.m., Dec. 21, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask
Lowr Can	8	10
Lun Echo	*32	35
Lyndhurst	7	8
Quest	1½	2½
Quyta	3	5
Rainville	9	12
[illegible]		

Oil Stocks (Continued)

[illegible]

Dividends Declared

[illegible]

Dividends Declared (cont'd)

[illegible]

Market Comment

What stocks and bonds are doing and what prominent observers say

Canadian markets had a weaker tone early this week, with trading volume approaching a new low for the year. The biggest news of a dull week was the $1 drop in Brazilian Traction common on Tuesday's trading, as new rumors revived investors' fears of nationalization of the company's properties in Brazil.

Shares in a number of copper producers were also unpopular among traders this week, amid forecasts of a drop of two to three cents a pound in copper prices, to follow the recent cut in prices of scrap copper.

Reports of further good drill hole news from the Geco property, some 45 miles northwest of Heron Bay on Lake Superior, brought a marked advance this week in the shares of Consolidated Howey Gold Mines. In general, however, trading in mining and oil issues continued dull, with little indication of the hoped-for year-end rally.

* * *

ARNOLD G. PLAXTON; Intercity Securities Corp. (Toronto)

Bearish influences should become dominant in speculative securities early in 1954. It should be remembered that February and March are usually difficult months for stock markets and, with the downward trend in business becoming more pronounced, this winter should be no exception.

Aided by easier money, the New York market has shown its usual strength this month especially the higher grade stocks. It is probable that there will be some tightening in money rates in the U. S. in the early spring, when cash flow to the government reaches a peak.

We suggest that now is a good time to examine portfolios carefully with a view to eliminating weak situations, and we would make no new speculative commitments unless we are satisfied that they will resist probable adverse general influences.

After the long corrections we have had in some sections of the list, such as base metals and oils, it is not likely that drastic sell-offs will develop, and with Canada's outlook for long term growth, reactions in prices should provide good opportunities for investment.

The extreme selectivity of the stock markets, we believe, will continue, no matter what the over-all trends are. Thorough investigation of industries and companies is more important than ever.

* * *

BARRON'S; The Trader (New York)

Fears that a precipitous downward movement would follow the attainment last spring of what has now been determined to be the greatest business activity on record have yet to be realized. From the March high of 243, the FRB Index at 228 in November was off 6%. The decline of the past three months has been seven points, or a mere 3%. So general, nevertheless, is the belief that the Korean War has been responsible for the prosperity of the past three years that it is quite possible that a proposed cut in defense spending of any size may be interpreted as the certain precursor of a depression.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 22, 1953

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	127	131	127
Bell Tele.	3	'77	83½	86½	83½
Do.	4½	'67	101	104	101
Braz. Traction	4½	'70	79	82	79
B. C. Electric	3½	'67	87	90	87
Do.	3½	'75	85½	88½	85½
Do.	3¾	'69	91	94	91
Do.	4½	'77	100	103	100
B. C. Tele.	4	'62	95	98	[illegible]
East Kootenay	3½	'67	83	86	[illegible]
Gat. Power D	3½	'70	90	93	[illegible]
Gt. Lakes Pwr.	4½	'69	93½	96½	93½
Maclaren-Quebec Power	3	'69	84½	87½	84½
Mex. Lt. & Pr.	5	'75	73½	76½	73½
Mtl. Trams. B	5	'55	99½	102½	99½
Nat. Lt. & Pwr.	4½	'61	93½	96½	93½
North. Que. Pr.	4½	'67	93	96	93
Power Corp.	3½	'67	88	91	88
Quebec Power	3	'62	90½	93½	90½
St. Maurice Pr.	3½	'70	87½	90½	87½
Shaw. W. & Pr.	3	'71	86	89	86
Do.	3½	'73	91	94	91
Un. Fuel Invest.	4	'59	96	99	96
Wpg. Electric	3½	'71	92	95	92
Industrial Issues:					
Abitibi Pr. P.	3½	'67	95	98	95
Acadia-Atlantic Sugar	3¾	'63	88	91	88
Alaska P. & C.	4½	'66	97	100	97
Aluminum Co.	3½	'74	93	96	93
Barvue Mines	5s	'56	95½	98½	95½
Bowater's Nfld. P. & P.	3½	'68	87	90	87
B. C. For. Pr.	4½	'66	94	97	94
Burns & Co.	4	'63	95	98	95
Can. Steamship	4	'66	96½	99½	96½
Can. Bread	4½	'67	91	94	91
Can. Brew.	4	'69	93½	96½	93½
Can. Canners	3¾	'70	90	93	90
Can. Celanese	3	'62	90	93	90
Can. Chemical	5½	'71	95	98	95
Can. Oil	3½	'62	90½	93½	90½
*Do.	5	'72	102	105	102
Can. West. Lum.	4	'62	97	100	97
Cockshutt Plow	4½	'65	93	96	93
Columbia Cell.	5	'68	94½	97½	94½
Consol. Paper	3½	'67	99	102	99
Dom. Stores	5	'72	100	103	100
Dom. Tar & Ch.	5	'67	99½	102½	99½
[illegible]					

New Highs and Lows

During the week ended Dec. 19, 26 new highs were recorded among the general stocks on Canadian stock exchanges and 19 new lows. In the mining group there were no new highs and 70 new lows. In the western oil group there were two new highs and 16 new lows.

GENERAL

New Highs—1953

Can. Steamship, Can. Vinegars, Cdn. Breweries, Cdn. Colliers, Cdn. Food Prod. pf., Cap. Estates, Cent. Can. Invest., Cons. Gas, Crown-Zeller., Dom. Glass, Hughes Owen A, Imperial Bank, Internat. Utilities, Interprov. Utilities, Laurentide Accept., Do. B, Legare pref., Pacific Coyle, Que. Telephone, Std. Paving, Traders Finance, Union Gas, Walker-Hiram, Waterous, West. Grocers

New Lows—1953

Anglo Can. Pulp pf., Brazilian Tract., T. G. Bright 5% pf., Cdn. Celanese pfd., Cdn. Chemical, Cdn. Cottons pfd., Cdn. Oil, Circle Bar Knit. A, Cons. Textile Mill., Crows Nest Coal, Electrolux, Gulf Oil, Gurney Prod. pfd., Inter. Nickel, McBrine pfd., McColl-Frontenac, North Star Oil, Waterous A, Westeel Prod.

MINING

New Lows—1953

Acadia Uran., Amalg. Larder, Ameranium M., Atlas Sulphur, Beycourt, Bordulac, Brunhurst, Brunswick, Buffadison, Campbell Red Lake, Cariboo, Cons. Gillies, Cons. Gold. Arrow, Cons. Guayana, Cons. Nicholson, Conwest, Coulee, Cournor, Copper-Man., Delnite, Estella, Fab. Metal, Frobisher 4% deb., Giant Yellowknife, Golden Manitou, Graham-Bousquet, Grandines, Heath Gold, Iso Uran., Kerr-Addison, Kirkland Hud. Bay, Landover, Little Long Lac, Macdonald, Malartic Gold, Maybrun, Meta Uran., Mindamar, Minda-Scotia, New Harricana, New Laguerre, New Mosher, Nisto, North Denison, North Trinity, Northland, Nubar, Nudulama, Ont. Pyrites, Orchan, Pamour, Perron, Pershcourt, Pioneer, Pitt Gold, Placer Dev., Que. Metallurgical, Que. Nickel, Rix-Athabasca, Roche Long Lac, Rowan Cons., Silvan, Sullivan Cons., Teck-Hughes, Uddlen, Waite Amulet, Wendell, West. Tung., Wiltsey Coghlan, Yukon Cons.

OILS

New Highs—1953

Nordon, Merrill Pet.

New Lows—1953

Albermont, Anglo-Candn., Antone, Bankfield, Barons, Century, Cons. Allenbee, Dome, Edoran, McIvor Drill., Midcon., New Concord, New Continental, Ponder, Rio Prado, Stanwell

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments, Offerings of Corporation and Foreign Securities

MUNICIPAL

Village of Wheatley, Ont.—5% debentures, due 1954-73, $100,000. Issued Dec. 4, 1953. Bought privately by Bell, Gouinlock & Co. Ltd.

Township of Saltfleet, Ont.—5% debentures, due 1954-73, $320,000. Issued Dec. 4, 1953. Bought privately by Bell, Gouinlock & Co. Ltd.

Town of Georgetown, Ont.—5% debentures, due Dec. 1, 1954-73, $140,000. Issued Dec. 7, 1953. Sold at $101.45 to Equitable Securities of Canada Ltd. and James Richardson & Sons.

Parish of St. Anne D'Argenteuil, Que.—4½% debentures, due Nov. 1, 1953-82, $25,600. Issued Oct. 30, 1953. Sold directly at $100.

Parish of St. Liguori, Que.—4% debentures, due Oct. 1, 1954-63, $11,000. Issued Oct. 30, 1953. Sold directly at $100.

County Council of Charlevoix West, Que.—4% debentures, due Oct. 1, 1954-63, $16,000. Issued Nov. 30, 1953. Sold directly at $100.

School Commission of St. Hyacinthe-le-Confesseur, Que. — 4% and 4½% debentures, due Oct. 1, 1954-63-68, $43,000. Issued Nov. 30, 1953. Sold privately at $98.50.

Town of Port-Alfred, Que.—3% and 4% debentures, due Nov. 1, 1954-63-73, $215,000. Issued Dec. 1, 1953. Sold at $91.56 to A. E. Ames & Co. Ltd.

Township of Trafalgar, Ont.—5% debentures, due Dec. 15, 1954-73, $650,091. Issued Dec. 4, 1953. Sold at $101.61 to Mills, Spence & Co. Ltd.

Township of Chicoutimi, Que.—4½% debentures, due Dec. 1, 1954-73, $25,000. Issued Dec. 7, 1953. Sold at $94.76 to Grenier, Ruel & Cie. Inc.

Town of Cowansville, Que. — 4% and 4½% debentures, due Nov. 1, 1954-63-73, $95,000. Issued Dec. 7, 1953. Sold at $98.77 to Desjardins, Couture, Inc.

District of Delta, B.C.—4¼% debentures, due Nov. 1, 1954-60, $52,000. Issued Dec. 7, 1953. Sold at $99.53 to A. E. Ames & Co. Ltd. and Royal Bank of Canada.

Village of Waterdown, Ont.—5% debentures, due Oct. 31, 1954-68, $15,000. Issued Dec. 7, 1953. Sold at $100.125 to MacCrae & Co.

County of Ontario, Ont. — 4½% debentures, due Dec. 15, 1954-58, $200,000. Issued Dec. 3, 1953. Sold at $100.81 to Equitable Securities of Canada and Imperial Bank of Canada.

School Commission of Charlesbourg, Que.—4% debentures, due Dec. 1, 1954-70, $110,000. Issued Dec. 9, 1953. Sold at $97.53 to J. E. Laflamme, Ltd.

City of Joliette, Que.—3% and 4% debentures, due Nov. 1, 1954-63-73, $250,000. Issued Dec. 9, 1953. Sold at $93.48 to Wood, Gundy & Co. Ltd.

Village of Long Branch, Ont.—4¾% debentures, due Dec. 15, 1954-73, $195,000. Issued Dec. 9, 1953. Sold at $102.64 to Mills, Spence & Co. Ltd.

Town of Parry Sound, Ont.—5% debentures, due Dec. 1, 1954-63, $38,000. Issued Dec. 10, 1953. Sold at $101.83 to Mills, Spence & Co. Ltd.

Town of Perth, Ont.—5% debentures, due Dec. 24, 1954-68, $78,000. Issued Dec. 14, 1953. Sold at $103.513 to Deacon Findley Coyne Ltd.

CORPORATE

Alberta Consolidated Gas Utilities — 5½% first mortgage sinking fund bonds, series B, due Dec. 15, 1973, $750,000. Dated Dec. 15, 1953. Offered at $100 and accrued interest to yield 5½% by Gairdner & Co. Ltd.

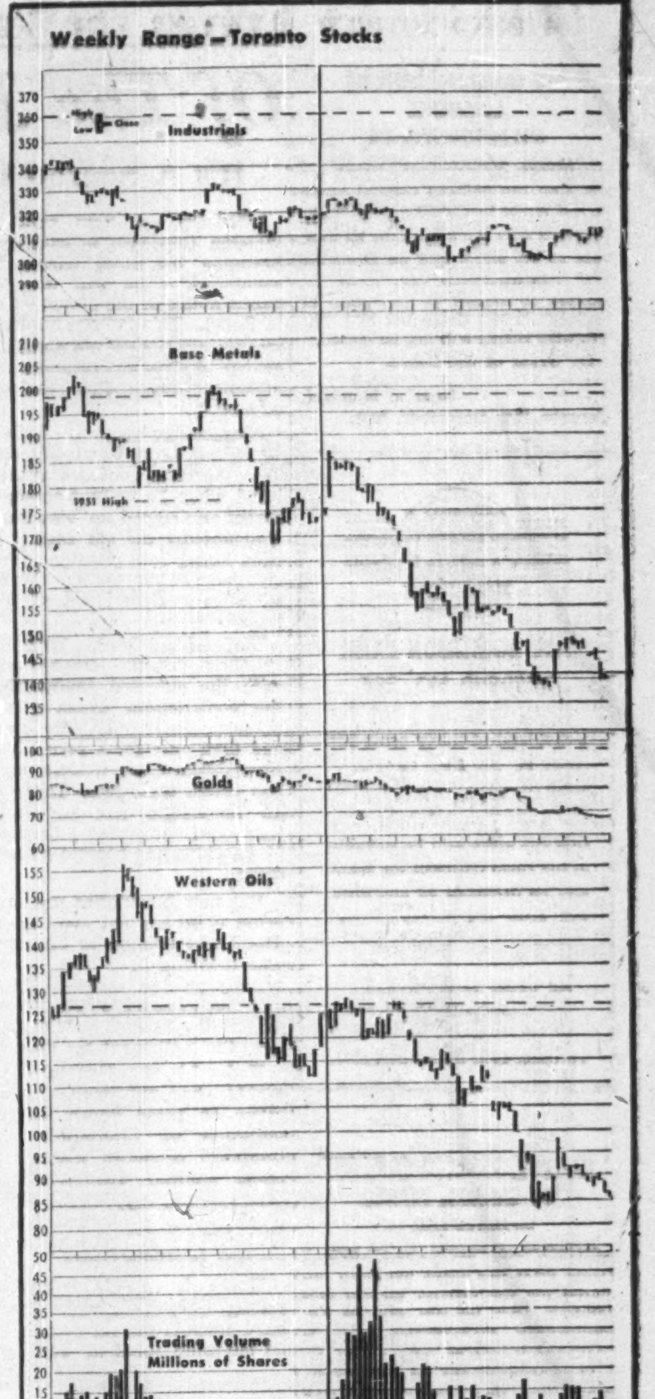
Laurentide Acceptance Corporation Ltd.—5¼% secured notes, series C, due Nov. 1, 1963, $3,000,000. Issued Dec. 9, 1953. Placed privately by Gairdner & Co. Ltd. and Union Securities Corp.

Alberta Consolidated Gas Utilities Ltd.—6% convertible sinking fund debentures, series A, to mature Dec. 15, 1973, $1,250,000. Dated Dec. 15, 1953. Offered at $100 and accrued interest to yield 6% by Gairdner & Co. Ltd., Walwyn, Fisher & Co., Ltd., Stanbury & Co. Ltd., Bankers Bond Corp. Ltd., Hagar Investments Ltd., Sydie, Sutherland & Driscoll Ltd., Yorkshire Securities Ltd., C. M. Oliver & Co. Ltd. and A. E. Jukes & Co. Ltd.

Municipal Bonds

December 22, 1953

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Calgary	3½	'69	80¾	82¼	4.50
Edmonton	3½	'69	86⅝	88⅝	4.50
Halifax	3½	'66	89	91	4.45
Hamilton	3	'67	86¼	88¼	4.15
Montreal	3	'70	82½	85	4.25
Moose Jaw	3½	'66	92½	94½	4.40
Ottawa	3¼	'68	88½	90½	4.15
Regina	3	'64	84¼	86¼	4.60
St. John	3½	'65	88⅛	90⅛	4.60
Toronto	3	'68	84¾	86¾	4.20
Vancouver	3¾	'69	89¾	91¾	4.50
Victoria	3¾	'68	88⅜	90⅜	4.60
Windsor	2¾	'73	68½	72½	4.75
Windsor	2½	'75	66½	69½	4.75
Windsor	3½	'73	78¾	83	4.75
Winnipeg	3	'69	84¾	86¾	4.15



Anthes-Imperial Buys Penberthy

Purchase of all issued shares of Penberthy Injector Ltd. of Windsor is announced by Anthes-Imperial Co., of St. Catharines.

Much of Penberthy's production is in goods like brass valves, normally sold through plumbing and heating outlets. The move will broaden lines which Anthes-Imperial has for years sold to this market.

Penberthy will sell its products throughout Ontario and Quebec through its own sales representatives. Established Anthes-Imperial sales representatives in the Prairie and Maritime provinces will also handle Penberthy lines in those areas. E. S. Totten will continue as vice-president and general manager of Penberthy.

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DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 268

NOTICE is hereby given that a DIVIDEND OF THIRTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st January 1954 and that the same will be payable at the Bank and its Branches on and after MONDAY, the FIRST day of FEBRUARY, 1954, to Shareholders of record at the close of business on 31st December 1953. The Transfer Books will not be closed.

By Order of the Board.

N. J. McKINNON,
General Manager.

Toronto, 11th December, 1953.

THE DOMINION BANK

DIVIDEND NO. 285

Notice is hereby given that a dividend of thirty cents per share on the paid up capital stock of this Bank has been declared for the quarter ending 31st January, 1954, and that the same will be payable at the Head Office of the Bank and its branches on and after the first day of February, 1954 to shareholders of record 31st December, 1953.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 10th December, 1953.

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

— DIVIDEND —

NOTICE is hereby given that a Dividend (No. 25) of Twenty-five Cents (25c) per share has been declared for the quarter ending 31st January, 1954, on the paid-up 4% Cumulative Redeemable Sinking Fund Preference Shares of the Company. The said Dividend will be paid on Monday, the 1st day of February, 1954, to shareholders of record at the close of business on Thursday, the 31st day of December, 1953.

By Order of the Board.

H. E. JACKSON,
Secretary.

MONTREAL, P.Q.,
17th December, 1953.

DOMINION FABRICS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 37½c per share has been declared on the Second Cumulative Participating Preference shares; and a dividend of 20c per share on the Common shares of the Company, for the quarter ending January 31, 1954, payable February 1, 1954, to shareholders on record January 15, 1954.

By Order of the Board.

WILLIAM CAMELFORD,
Secretary.

CANADIAN VICKERS LIMITED

COMMON SHAREHOLDERS

Notice is hereby given that a regular quarterly dividend of twenty-five cents (25c) per share on the 545,000 shares outstanding has been declared and will be paid on the fifteenth day of January, 1954 to shareholders of record at the close of business on December 31st, 1953.

(Signed) J. B. HATCHER,
Secretary.

Montreal,
December 14, 1953.

THE STEEL COMPANY OF CANADA, LIMITED

DIVIDEND No. 170

Notice is hereby given that dividend No. 170 of twenty-five cents (25c) per share for the quarter ending December 31, 1953, and an extra distribution of thirty cents (30c) per share have been declared upon the Shares of the Company, both payable Monday, February 1, 1954, to shareholders of record at the close of business Thursday, January 7, 1954.

By Order of the Board.

H. S. ALEXANDER,
Secretary

Hamilton, Canada, December 14, 1953.

CONSOLIDATED BAKERIES OF CANADA LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of fifty cents (50c) per share on the outstanding shares in the Capital stock of Consolidated Bakeries of Canada Limited has been declared, payable on the 1st day of February, 1954, to shareholders of record at the close of business on the 7th day of January, 1954, payable out of earnings for the fiscal year 1953.

By Order of the Board.

T. M. DUTTON,
Secretary.

Dated at Toronto, December 18, 1953.

WOOD ALEXANDER LIMITED

Notice is hereby given that a regular quarterly dividend of 1½% per share has been declared on the 6% Cumulative Redeemable Sinking Fund Preference Shares; payable on January 4th, 1954, to shareholders of record as at close of business December 17th, 1953.

Notice is hereby also given that a dividend of 15c (Fifteen cents) per share on the Common Shares of the Company has been declared payable January 15th, 1954, to shareholders of record as at close of business December 31st, 1953.

By Order of the Board.

JAMES STONEHEWER,
Secretary-Treasurer.

LETTER FROM LONDON — By Adelphi

Of The John Bulls and Bears

It's A Season Of Surprises In The United Kingdom

LONDON — Now that Sir Winston Churchill is back from Bermuda his close friends are wondering if he will take any public notice of the attack on him in Punch. This famous humorous weekly has undergone a startling change in style and contents since Malcolm Muggeridge took over editorship.

Muggeridge was a brilliant writer on Lord Camrose's Daily Telegraph and London was astonished when he walked across the Street and signed up with Punch. Undoubtedly the old weekly had been losing both prestige and circulation. It had neither the benevolence nor the acid of other days.

Muggeridge made swift and startling changes. He did away with the enforced anonymity of the contributors which allowed no more than initials to appear and then only for a favored few. He published the writers' names and raised their fees. There was an immediate rise in circulation and advertising revenue. Muggeridge had become a success story.

But now his friends are wondering if he has not gone too far. The latest volume of Churchill's war memoirs have been running serially in the Daily Telegraph and much space has been given to Churchill's discussions with Stalin over the settlement for Poland.

Under his own signature Muggeridge has published a savage satire on these Polish talks, in imitation of Churchill's style. Churchill is shown dodging the issue, smiling benevolently at Stalin's cruel suggestions, and apparently only concerned that he, Churchill, would appear to advantage in Stalin's eyes.

There is great indignation among Churchill's close friends but I doubt if the old warrior will do anything about it. The Jester can always plead the freedom of the cap and bells.

* * *

Robin Hood Technique On Throgmorton Street

London stockholders are rubbing their eyes and wondering if the gamble in Savoy Hotel shares will start a new vogue. As readers of The Financial Post are probably aware a group of financiers tried to gain control of the Savoy Hotel Group (whose shares are widely distributed) by buying in the open market.

Under this mad pressure the shares went from 25 shillings to 60. Finally the financiers who had started it sold out their acquired holdings at 62/6d a share to the Savoy Group. Thus the Group paid £1,350,000 to maintain the control of the company which they already controlled.

This Robin Hood technique has certainly set Throgmorton Street talking. The shares of many big established public companies are so widely held that concerted buying on a large scale might produce startling results.

* * *

Serpent of the Nile Nips Aneurin Bevan

On the political bourse there has been a sharp drop in Aneurin Bevan shares. He is pretty adroit at living down his mistakes (calling the Tories "vermin" was one) but like Caesar he has now been trapped by the old serpent of the Nile.

Bevan has a perfect right to say on the Floor of the House or on the public platform that the British will have to get out of Egypt whether they like it or not. Also he has a perfect right to publish an article on those lines in a British newspaper.

But to publish it in a Cairo newspaper as its special London correspondent is asking for trouble in a very big way. The matter will undoubtedly be raised in the Commons and, therefore, I shall not attempt conjecture. Whatever happens the affair must injure his chances of ultimate leadership of the Socialist Party.

* * *

November Exports Near Record Level

On the other hand his opposite number in the Tory leadership stakes — Rab Butler — is wearing a pleased smile which lights up his thoughtful parlor. British exports for November at £248 millions are the highest since the peak month of March last year, which topped £265 millions.

Unhappily the improvement is greater in the sterling area than in dollar-land. You, in Canada, nobly increased your British imports fractionally from £13.3 millions to £13.8 millions but the total value for North America fell from £27 millions to £25 millions.

* * *

As far as home trade is concerned there is nothing but wailing and lamentation among all people who have to do with winter clothing, winter travel or winter sports. Summer is still with us although Christmas is here. Come to England in December and get a sunburn! Sit in Hyde Park and drowse the hours away! The seaside hotel keepers are praying for fogs to afflict London so that people will seek refuge by the sea. The London theatre proprietors are more modest in their demands. All they want is snow or rain to drive the people off the streets into the theatres.

* * *

Fleet Street particularly and society in general have been much interested in the announcement of the engagement of Lady Jean Campbell daughter of the Duke of Argyll and granddaughter of Lord Beaverbrook. Lady Jean, who is 25, has the dark hair of the Aitkens and a tall, graceful figure. Her face is finely featured and possesses a swift play of expression.

Normally she accompanies Lord Beaverbrook to his winter sojourn in the Bahamas or Jamaica but this year she stayed in England. Her fiancé belongs to the famous British shipping family of Roper.

* * *

Boost for Canada In "The Kidnappers"

Canada has had an unexpected boost this week in a film called "The Kidnappers." We are taken back to the early days of Nova Scotia, or at any rate as early a period as the Boer War. It is true that the outdoor scenes were shot in Scotland, but to the audience it is authentic Canada.

The star of the picture is a boy who, in real life, is exactly 5½ years old. To the astonishment of his parents and the makers of the film the critics went quite mad about the boy. He not only hit the headlines but made the front pages. Personally I give the chief credit to the director and the author. You should demand that this film be shown across Canada, not merely for the boy wonder, but to get an authentic glimpse of those Scottish Canadian Presbyterians grappling with the forests and sustaining themselves with the thought of the wrath to come to all sinners.

DIVIDEND NOTICES

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors held today a final dividend of seventy-five cents per share on the Ordinary Capital Stock was declared in respect of the year 1953, payable in Canadian funds on February 26, 1954, to shareholders of record at 3.30 p.m. on December 30, 1953.

By Order of the Board.

FREDERICK BRAMLEY,
Secretary.

Montreal, December 14, 1953.

DOMINION STEEL AND COAL CORPORATION, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of twenty-five cents (25c) per share on the outstanding Ordinary shares without nominal or par value of the capital stock of this Corporation has been declared for the quarterly period ending December 31, 1953. Such dividend to be payable on January 21, 1954, to shareholders of record at the close of business on December 28, 1953.

BY ORDER OF THE BOARD.
G. C. BROADBENT,
Secretary and Treasurer.

MONTREAL, P.Q.
December 16, 1953

Commonwealth International Corporation Limited

Dividend No. 80

Notice is hereby given that a dividend of TEN CENTS per share has been declared on the outstanding Common Shares of the Capital Stock of the Company, payable on 15th January 1954, to shareholders of record at the close of business on 31st December 1953.

Holders of Bearer Share Warrants may present Coupon No. 80 for payment to any branch in Canada of the Royal Bank of Canada, on and after 15th January 1954.

By Order of the Board.

W. Howard Wert, C.A.
Secretary-Treasurer.

Montreal, 15th December 1953.

BRITISH COLUMBIA FOREST PRODUCTS LIMITED

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the shareholders of the above named Company will be held in Salon "A", Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia, on Wednesday, the 20th day of January, 1954, at the hour of 12.00 o'clock noon, for the purpose of electing a board of directors for the ensuing year, considering the accounts and balance sheet, receiving the reports of the directors and auditors, conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation, (which authority shall expire at the next annual general meeting of the Company unless it is continued by ordinary resolution passed thereat), and transacting such other business as may be properly brought before the meeting.

DATED at Vancouver, British Columbia, this 14th day of December, 1953.

By Order of the Board.

TREVOR L. DANIELS,
Secretary.

Halt Savings Bond Sales at Year End

Ottawa is closing its books on the Series Eight Canada Savings Bonds Dec. 31, eight months earlier than usual.

Finance Minister Abbott pointed out that in the past approximately 90% of sales of each issue have been made by Dec. 31, even though bonds have remained on sale until Aug. 31 of the following year.

More than $860 millions — a record — have been sold in the current campaign.

Applications made prior to Dec. 31 for Series Eight bonds, with arrangements for deferred payment, are not affected by the deadline.

DR. LIONEL A. COX

has been appointed director of research, Johnson & Johnson Ltd.

Manitoba Would Launch Own Crop Insurance Plan

From Our Own Correspondent

WINNIPEG—Whether or not a workable crop insurance scheme can ever be set up on a provincial basis, Agriculture Minister Ron Robertson says Manitoba is at least going to consider it.

Speaking to delegates at the annual meeting of the Manitoba Farmers' Union recently he said that if Manitoba couldn't get some revisions and adjustments under the Prairie Farm Assistance Act, the province would seek ways of establishing its own insurance scheme.

Manitoba farmers have always claimed they are not well treated under the federal Prairie Farm Assistance Act. Under it, a 1% levy is made on the crop of each individual farmer and this establishes a fund from which farmers are compensated for low crop yields provided they are small enough to qualify and provided also they qualify under the minimum area for payment. At present this is half a township or 18 sections.

How Account Stands

For the 14 years since the legislation became operative in 1939 levies on prairie farmers have totaled $75,230,801 and payments for crop failure compensation have been $143,537,513. Saskatchewan and Alberta have been big beneficiaries of PFAA, Saskatchewan $41,603,013 paid in and $103,892,694 taken out; Alberta $21,709,344 paid in and $35,955,111 taken out.

Farmers in Manitoba have always paid into the PFAA pot more than they ever got out. Total levies on them since the legislation became effective have been $11,903,858 and awards totaling $3,399,390 have been made on 28,682 claims.

Only in two of 14 years have Manitoba farmers received as much in crop failure payments as they have paid in. Another complaint is that the half township or 18 sections—it used to be a whole township—is too large to be of much benefit to Manitoba.

Several times pressure has been brought on Ottawa to change the Act to suit special conditions in Manitoba. Another try was made this year.

Would Ask Federal Aid

Robertson said either Manitoba should get a better deal or start looking for its own crop insurance scheme. If the province seriously contemplates starting such a project on its own it will likely be on a basis of federal assistance. In case Manitoba decides to go ahead on its own the Federal Government will be asked to credit the province with the excess of payments by Manitoba farmers to the PFAA fund over and above what they have received back from it. This is about $8.5 millions.

Both big farm organizations of the province have asked for crop insurance. The Manitoba Federation of Agriculture recently asked the Government to consider an insurance scheme of a basis recommended by a Manitoba Crop Insurance Committee in 1940. Its report recommended that a crop insurance plan be put into effect on a municipal basis, provided that sufficient support was given by producers to guarantee a minimum of the wheat acreage of the province before the plan was put into operation.

Cost Rises May Hit Net Record For Molson's

MONTREAL (Staff)—Sales of Molson's Brewery Ltd. are expected to continue "at satisfactory levels" in the current fiscal year, President Hartland de M. Molson reported at the annual meeting.

It was noted, however, that cost increases may break the string of successive new highs in net profits registered. While some material costs are a little lower, the president indicated, introduction of the 40-hour week plus increasing demands of advertising and sales promotion and considerable preliminary expenses in connection with the Toronto expansion program may cut net profits.

The Quebec brewing industry is likely to show a minor decline in sales for the first quarter of its new year, said Mr. Molson. But he added that the company's relative position continues highly satisfactory and that "we are meeting competition however and wherever it occurs with force and effectiveness."

He noted that despite the company's present inability to produce lager to cater to the swing in public demand to this type of beer, "the unfaltering quality of our ale has kept the demand for Molson's unequaled by any competing brand in the country."

Molson's new plant in Toronto, now under construction, is located in an area representing nearly 30% of the whole Ontario beer market and the president was confident that its output would be marketed "successfully and profitably." The site was noted as offering excellent essential facilities, such as high-grade water, electric and sewage connections, railway and siding facilities and good transportation for both products and employees.

U. S. $ Value in Canada

Daily at Noon as Reported By The Bank of Canada

Week Ended Dec. 18, 1953

Mon.	.97 6/32	Thurs.	.97 6/32
Tues.	.97 4/32	Fri.	.97 2/32
Wed.	.97 5/32	Ave.	.97 23/160

Grain Prices

Chicago Futures

Week to December 21, 1953

Crop year from Aug. 1, 1952 High	Low		High for week	Low for week	Close Dec. 21
		Wheat—			
2.40¼	1.81	Dec.	2.03⅜	1.99¼	2.01¼
2.37½	1.85¼	Mar.	2.07⅜	2.02¾	2.04⅜
2.21	1.86¼	May	2.07	2.02⅜	1.96
2.07	1.81½	July	1.98	1.95¼	1.96¼
2.03	1.95¼	Sept.	1.99¾	1.97⅛	1.98⅞
		Corn—			
1.64½	1.33⅜	Dec.	1.53⅞	1.50¼	1.50⅜
1.61	1.37	Mar.	1.56¼	1.54¼	1.54¾
1.61¾	1.38⅜	May	1.57⅜	1.55¼	1.55⅞
1.60¾	1.45¼	July	1.56¼	1.54	1.54¾
1.55	1.49¼	Sept.	1.51¼	1.49¼	1.49⅜
		Oats—			
.79¾	.71¼	Dec.	.78¼	.72	.73¼
.81⅞	.72⅜	Mar.	.80¼	.75¾	.76¼
.79⅝	.70⅜	May	.78¼	.75⅜	.75⅜
.78¾	.66	July	.74¾	.72⅞	.73
.75¼	.72	Sept.	.73⅛	.72	.72
		Rye—			
1.79¼	1.07¼	Dec.	1.26¾	1.21½	1.21¾
1.59¼	1.12¼	Mar.	1.29¾	1.24½	1.24¾
1.53¼	1.14¾	May	1.31¾	1.27¼	1.27¼
1.36	1.16¼	July	1.33	1.29	1.29
		Soybeans—			
		Jan.	3.05¾	2.98¼	2.99¼
		Mar	3.07	2.96	3.01½
		May	3.03½	2.95¾	2.98¼
		July	2.93½	2.90	2.93¼
		Sept.	2.62¾	2.53	2.57¼

Winnipeg Futures

Week to December 21, 1953

Crop year from Aug. 1, 1952 High	Low		High for week	Low for week	Close Dec. 21
		Oats—			
.77¼	.67¼	Dec.	.71¼	.69½	.71
.72¼	.67	May	.71¼	.70⅜	.71
.71	.68	July	.70¼	.68	.68¾
		Barley—			
1.13¼	.91⅜	Dec.	.93⅜	.91⅜	.93¼
1.11¼	.94¼	May	.95¾	.94¼	.94⅜
1.00¼	.93¼	July	.94⅞	.93¼	.93⅜
		Rye—			
1.53		Dec.	1.07¼	1.05	1.05¼
[illegible]	[illegible]	May	1.10¼	1.08⅜	1.08¼
[illegible]	[illegible]	July	1.10⅜	1.08⅜	1.08¼
		Flax—			
3.13	2.53¼	Dec.	2.87	2.77	2.77¼
2.94¾	2.56	May	2.89	2.79½	2.80½
2.85¼	2.58	July	2.85½	2.75½	2.76

Chicago Cash

	For Week Dec. 21 High	Low	Prev. week High	Low
Corn—				
2 Yell.	1.59	1.57¼	...	...
Oats—				
1 H. Wh.	.85¼	.85¼	.86¼	.84¾

Winnipeg Cash

	For Week Dec. 21 High	Low	Prev. week High	Low
Oats—				
2 C. W.	.71	.69⅞	.71½	.70⅞
3 C. W.	.68⅜	.67⅜	.69¼	.68⅞
Barley—				
1 Feed	.89¼	.87⅞	.89¼	.88¼
2 Feed	.87¼	.85¾	.87⅞	.86¼
1 Malt	1.06⅜	1.04⅞	1.06¼	1.05¼
Rye—				
2 C. W.	1.06¼	1.05¼	1.07¼	1.05¼
1 C. W.	1.06¼	1.05¼	1.07¼	1.05¼

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Fort William, Ont. Winnipeg, Man. Montreal, P.Q.

B. C. Power Comm. Plans Buttle Lake Dam Construction

Special Correspondence

VANCOUVER—Erection of an earthen dam is projected by the B. C. Power Commission at Buttle Lake, Vancouver Island. Earlier surveys contemplated a vast concrete structure, but the success of the Kenney Dam, erected on the Nechako River in central B.C. for Aluminum Co. of Canada, has caused a switch in plans—the dam at Buttle will follow the Kenney model.

The structure at Buttle is designed to round out the whole improvement program of the provincial government's John Hart power plant at Campbell River. With added storage at Buttle, new machines will be added to the present battery to bring the whole up to an output of nearly 200,000 horse-power.

Buttle Lake lies in a vast basin among the highest mountains which form the backbone of Vancouver Island. The lake is 21 miles long, two miles wide. It is 700 feet above sea-level, so there is a very satisfactory fall in the 50 miles between the lake and the power plant. The dam will raise the lake level by 45 feet. It will have to be about two-thirds of a mile long to span the distance between mountain banks at the narrowing end of the lake; but it will not have to be nearly as high as the 317 feet of Kenney dam. The latter is the largest earthen dam for power purposes in the British Commonwealth, containing more than 3.8 million cubic yards of material.

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ANNOUNCEMENT

K. S. HOWARD

E. W. JOHNSON

G. G. WALSH

Mr. E. J. Cosford, President and Managing Director of Canadian Car & Foundry Company, Limited, following a meeting of the company's Board of Directors, announces the appointment of K. S. Howard as Vice-President — Steel Foundry; E. W. Johnson, Vice-President i/c Sales Railway Car Equipment; G. G. Walsh, Assistant Vice-President i/c Industrial Relations. Mr. Howard was previously Assistant Vice-President, Foundry Division; Mr. Johnson previously Sales Manager, Car Division; Mr. Walsh previously Manager, Personnel and Industrial Relations Department.

Personal FINANCE CO. Loans

Announcing the Opening of Personal Finance Company of Canada's 100th Office

The recent opening of an office at Pembroke, Ontario now brings to *one hundred* the number of *Personal* offices serving the people of Canada from Sydney to Victoria.

These *Personal* offices are engaged in lending $50 to $1200 to the average person who needs a temporary loan. These loans, generally, are used to pay medical or dental bills, consolidate debts, and similar worthwhile purposes.

Eight years ago, *Personal* had five offices in Canada. Its remarkable growth is testimony to the increasing recognition of the need for this service coupled with the Canadian's desire to raise his standard of living through the use of his credit.

As Personal Finance Company keeps pace with Canada's growth, it will endeavor to continue to offer a "neighborhood service on a Dominionwide scale."

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OF CANADA
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Annual Bank Statements

National

New high records are shown by the National Canadian Bank in its annual statement for the year ended Nov. 30, 1953. Liquid position continued strong.

Net earnings after the usual deductions for bad and doubtful debts were $2.9 millions, up $965,000 on the year; and after a larger deduction for taxes and premises write-off, net profits were over $1.3 millions, an increase of $517,000, and equal to $1.95 a share ($1.21 a share in 1952.)

Dividends paid during the year were higher at $840,000, ($700,000 in 1952) an extra dividend of 20 cents a share totaling $140,000 having been paid during the year. Surplus for the year was $524,849 which when carried to profit and loss gave a total of $925,940. From this $500,000 was transferred to reserve fund, which now amounts to $8 millions.

INCOME ACCOUNT

Years Ended:	Nov. 30 1953	Nov. 29 1952
Net earnings	$2,965,786	$2,000,043
Less: Prov. for taxes	1,219,920	803,813
Bank premises w/o	381,017	349,178
Net profit	1,364,849	847,052
Less: Dividends	840,000	700,000
Surplus for year	524,849	147,052
Earnings per Share and Dividend Record:		
Common: Earned	$1.95	$1.21
Paid	1.00+0.20	0.80+0.20

Total assets rose to $524.7 millions, highest in the bank's history. Current loans and discounts showed a gain of $41.1 millions, reaching a new high level of $211 millions. The advance in loans brought a reduction in the bank's portfolio of securities which now total $195.8 millions.

Quickly realizable assets at $288.2 millions were equal to 56.76% of total liabilities to the public (62.68%). Cash assets were 17.62% of liabilities to the public.

Total deposits increased by $31.2 millions to $507.8 millions. Noninterest bearing deposits by the public were $135 millions ($121 millions.) Interest bearing deposits were $345.7 millions ($341.5 millions in 1952) Consolidated balance sheet follows.

CONDENSED BALANCE SHEET

As at:	Nov. 30 1953	Nov. 29 1952
Cash on hand	$55,933,772	$45,242,185
Dep. with Bk. of Can.	31,488,287	30,022,976
Dep. with other bks.	2,054,620	2,392,489
Call & short loans	2,998,597	2,670,981
Dom. & prov. sec.*	168,971,815	187,698,194
Other securities*	26,816,270	31,571,228
Total quick assets	288,263,361	299,598,053
Loans & discounts	227,998,461	185,326,399
Bank premises	7,325,393	6,796,063
Letters of credit	1,129,023	1,344,914
Other assets	57,992	151,261
Total assets	524,766,230	493,216,690
Dom. & prov. deps.	21,214,328	6,687,295
Pub. nonint. bear. dep.	135,309,188	121,732,470
Pub. int. bear. deps.	345,694,383	341,528,334
Due to banks	5,416,063	6,681,348
Letters of credit	1,129,023	1,344,914
Sundry liabilities	37,602	38,597
Total liabs. to pub.	509,000,587	478,012,958
Divds. unpaid, etc.	339,702	302,640
Reserves	8,000,000	7,500,000
Capital paid-up	7,000,000	7,000,000
Surplus	425,941	401,092
Tot. liabs. to share.	15,765,643	15,203,732

*Not exceeding market value.

Royal Bank

New high records in Canadian banking are shown under several headings in the annual statement of the Royal Bank of Canada for the year ended Nov. 30, 1953. Assets of $2,895,856,189 at Nov. 30 represented a new peak for Canadian banks and an increase of $204,399,315 on the year. Deposits rose by more than $207 millions, and total loans passed the $1 billion mark for the first time.

Net profit of $8,635,136 was 21.1% higher than previous fiscal year's net of $7,129,085, permitting a further transfer of $3 millions to the reserve fund. The reserve fund was further increased by a $12 million transfer from the bank's contingency reserves, bringing the total in the reserve fund to $70 millions at fiscal year-end.

Out of net earnings of $18,952,608, provision of $1,365,472 was made for depreciation and $8,952,000 for income taxes. Regular dividends of $4.2 millions and an extra of $700,000 were distributed to shareholders, leaving $3,735,136 to be carried forward.

INCOME ACCOUNT

Years Ended Nov. 30:	1953 $	1952 $
Net earnings	18,952,608	14,745,447
Less: Res. for taxes	8,952,000	6,325,000
Depreciation	1,365,472	1,291,362
Net profit	8,635,136	7,129,085
Less: Dividends	4,900,000	4,375,000
Surplus for year	3,735,136	2,754,085
Earnings per Share and Dividned Record:		
Earned	$2.47	$2.04
Paid	1.20+0.20	1.00+0.25

Total assets of $2,895,856,189 at Nov. 30, 1953, were 7.6% higher than a year earlier. Loans rose by $161,968,307 during the year to a total of $1,144,146,223. The increase is largely accounted for by heavy volume of commercial loans in Canada, which were more than $105 millions greater than at previous year-end.

Cash assets of $600,920,111 were 21.56% of liabilities to the public; liquid assets at $1,823,643,607 were equivalent to 65.42% of public liabilities (65.8% in 1952).

Of total deposits of $2,734,644,077, public savings deposits were at a record high of $1,234,884,944 and public demand deposits were $1,240,424,365.

Annual meeting is Jan. 14.

CONDENSED STATEMENT‡

As at Nov. 30:	1953	1952
Cash on hand	$287,343,620	$243,762,319
Dep. with Bk. of Can.	164,109,409	142,070,650
Dep. with other banks	149,467,083	148,254,834
Call & short ins.	149,280,474	96,830,435
Dom. & prov. secs.	848,025,698	851,968,002
Other securities*	225,417,323	228,035,329
Total quick assets	1,823,643,607	1,710,921,629
Loans & disc.	994,865,750	885,347,482
Bank premises	20,871,992	20,613,591
Letters of credit	51,213,787	69,368,976
Other assets	5,261,053	5,205,196
Total assets	2,895,856,189	2,691,456,874
Circulation	83,335	101,063
Dom & prov. deps.	172,357,320	61,190,081
Pub. nonint. bear. dep.	1,240,424,366	1,185,527,248
Pub. int. bear. dep.	1,234,884,944	1,199,784,874
Due to banks	86,977,446	81,008,234
Letters of credit	51,213,787	69,368,976
Other liabilities	1,615,815	1,912,180
Total liabs. to public	2,787,557,013	2,598,892,656
Dividneds	1,783,801	1,783,979
Reserve	70,000,000	55,000,000
Capital	35,000,000	35,000,000
Surplus‡	1,515,375	780,239
Total liab. to share	108,299,176	92,564,218

*At not exceeding market value.
‡After transferring $3,000,000 to reserve fund in 1952 and 1953.

Toronto

Bank of Toronto in its annual reported for the year ended Nov. 30, shows profits, assets, loans and deposits at new high levels. Liquid position of the bank continued strong.

Net earnings after making provision for bad and doubtful debts and contribution to staff pension fund were over $3 millions, an increase of $343,139. Premises write-off was $4,139 lower, taxes $207,097 higher, leaving net profit of over $1.3 millions ($1.1 millions in 1952) and equal to $2.17 a share ($1.94).

Dividends took over $1 million including an extra distribution of $180,000, ($960,000 including $120,000 extra in 1952).

Surplus for the year carried forward to credit of profit and loss was $283,401, bringing that total up to over $2.3 millions. From this $2 millions was transferred to reserve fund which now stands at $16 millions.

INCOME ACCOUNT

Years Ended Nov. 30:	1953	1952
Net earnings	$3,059,801	$2,716,662
Less: Depreciation	493,822	497,961
Taxes	1,262,578	1,055,481
Net profit	1,303,401	1,163,220
Less: Dividends	1,020,000	960,000
Surplus for year	283,401	203,220
Earnings per Share and Dividend Record:		
Earned	$2.17	$1.94
Paid	1.40+0.30	1.40+0.20

Total assets rose $48 millions to $570 millions the figure including $227.9 millions, loans and discounts, $5.7 millions call and short loans, $214 millions securities.

Total quick assets at $331 millions, were $19.3 millions higher and equal to 60.40% of total liabilities to the public (62.32% in 1952). The changed ratio, as with the other banks, reflected the greater proportion of bank funds employed in loans than in investments. Total investments in securities were higher on the year but the expansion was not as great as that in loans, reflecting the increased economic activity of the country.

Total deposits were $48.4 millions higher at $545.1 millions, both interest bearing and non-interest bearing deposits by the public showing increases. Consolidated balance sheet follows.

CONDENSED STATEMENT

As at Nov. 30:	1953 $	1952 $
Cash on hand & due from other banks	110,444,340	100,442,050
Call & short loans	5,722,604	5,668,085
Dom. & prov. secs.*	186,792,397	177,961,430
Other secs.*	28,114,247	27,612,651
Total quick assets	331,073,588	311,684,216
Loans & disc.	227,926,014	198,741,152
Bank premises	9,163,118	8,883,636
Letters of credit	2,640,138	2,988,612
Other assets	208,462	223,969
Total assets	570,911,320	522,521,585
Deposits	545,123,772	496,766,276
Letters of credit	2,540,138	2,988,612
Other liabs.	534,454	398,134
Total liabs. to pub.	548,198,364	500,153,022
Dividends	391,935	330,943
Reserve	16,000,000	14,000,000
Capital stock	6,000,000	6,000,000
Surplus	321,021	2,037,620
Tot. liabs. to shldrs.	22,712,956	22,368,563

*Not exceeding market value.

Provincial

New high records in profits, assets and deposits are shown by the Provincial Bank of Canada in its annual financial statement for the year ended Nov. 30, 1953. After making provision for bad and doubtful debts but before deductions for staff pension fund, gross earnings exceeded the $1 million mark for the first time in the bank's history.

After deducting $100,000 for pension fund, $183,142 premises write-off and $353,906 for taxes, net profit was $426,094, equal to 85 cents a share (83 cents a share in 1952).

Dividends were $331,748, payments being at an annual rate of 6% plus an extra dividend of 1%, total payments being $50,329 higher on the year.

A balance of $94,346 for the year brought profit and loss balance to $730,310, from which $550,000 was transferred to reserve fund bringing it to $2,835,683 ($2,285,683 in 1952).

INCOME ACCOUNT

Years Ended Nov. 30:	1953	1952
Net earnings	$963,142	$839,253
Less: Res. for taxes	353,906	367,137
W/o bank premises	183,142	139,271
Net profit	426,094	332,845
Less: Dividends	331,748	281,419
Surplus for year	94,346	51,426
Earnings per Share and Dividend Record:		
Earned	$0.85	$0.83
Paid	0.60+0.10	0.60+0.10

Total assets rose almost $13 millions to $213.7 millions. These included $84 millions of loans, an increase of $16.1 millions, largest increase on record. Other securities receded $14 millions to $74.0 millions. This reflected the active credit demands for the year.

The bank's liquid position continued strong cash assets being 24.56% of all liabilities to the public. Quickly available assets were 62.50% of all liabilities to the public, (67.45%) the lower ratio as with the other banks being due to the increased use of bank funds in loans rather than investments.

Deposits totaled almost $205 millions, up $11.4 millions; most of the increase was in commercial deposits.

Consolidated balance sheet follows.

CONDENSED STATEMENT

As at Nov. 30:	1953	1952
Cash on hand & due from other banks	$50,557,727	$40,479,991
Govt. & oth. pub. sec.	74,049,733	88,068,998
Call & short loans	3,890,435	2,273,530
Total quick assets	128,497,895	130,822,519
Loans & discounts	80,621,137	66,053,428
Bank premises	3,950,300	3,492,812
Letters of credit	256,845	281,001
Other assets	452,520	346,377
Total assets	213,778,697	200,996,137
Dom. & prov. deps.	8,226,283	3,077,346
Pub. nonint. bear. deps.	57,993,332	51,890,907
Pub. int. bear deps.	135,174,839	134,040,842
Due to banks	3,596,075	4,523,070
Letters of credit	256,845	281,001
Other liabilities	219,865	151,324
Total liabs. to pub.	205,467,239	193,964,490
Dividends, etc.	131,147	109,999
Reserve	2,835,683	2,285,683
Capital	5,164,317	4,000,000
Surplus	180,311	635,965
Total liabs. to sh'holders	8,311,458	7,031,647

Canada May Ask U.S. Give Wider Air Reciprocity

OTTAWA (Staff)—Now that the dispute over TCA's Montreal-Tampa-Mexico flight has been cleared up with U.S., Canada may suggest that all U.S.-Canada flights should be put on a reciprocal basis, with one carrier from each country on each route.

This is regarded here as the most sensible long-term arrangement for civil air routes between the two countries. It may be one of the proposals put to the U.S. in the New Year, when Canada submits a list of the changes we would like to make in the present Air Transport Agreement.

In last week's Washington meeting between John R. Baldwin, chairman of the Air Transport Board, and Oswald Ryan, chairman of the U.S. Civil Aeronautics Board, it was agreed that the two boards would exchange views in the next few months about changing the present route schedules between the two countries.

Although the Canadian authorities have pretty clear ideas about what they would like to get from the U.S. they believe it will take some time to decide how much it is reasonable to suggest at this time. And the exchange of views—though officially called "informal"—is to be in writing. The Canadian proposals will have to be carefully drafted.

The U. S. agreement on the Tampa stop en route to Mexico was made, according to the official statement, without "implying a departure from the established policy of the United States." But it was made, and apparently without very much difficulty once the people involved sat down together. Canada, of course, was quick to agree to cancel the show-cause orders which had been issued against Colonial Airlines and Pan-American.

It is hoped here that the upshot of the whole dispute may be to support the Canadian contention that closer contact and more frequent consultation between the air authorities of the two countries would be helpful.

TCA To Seek New Routes, Rights

Trans-Canada Air Lines is expected to seek new trans-border route and stop rights early next year in proposed U.S.-Canadian talks to review the air agreements between the two countries.

TCA, with the support of Boston officials, would like to be able to pick up Boston passengers on the Montreal-Bermuda-Caribbean route.

TCA is also considering application to fly new trans-border services in the West paralleling present Northwest Airlines' service to Winnipeg and Edmonton and Edmonton and Western Airlines' service to Lethbridge and Edmonton.

These new proposals follow U.S. final acceptance of TCA's right to fly Mexico-bound passengers via Tampa on the same plane as Florida-bound passengers. Agreement on this right is acceptable within present bilateral air agreements by issue of a six-month renewable permit to TCA by the U.S.

57 CN Car Order For Canadian Car

MONTREAL (Staff)—Canadian National Railways has placed a $7,486,000 order for 57 first-class passenger railway coaches with Canadian Car & Foundry Ltd., Montreal.

The company is now building 161 of the same style coaches for the CNR on order since last year. Delivery of the new order will follow receipt of the cars now being constructed, the last of which is expected to be delivered by next summer.

Strong Sulphite Pulp Demand To Bring Jan. Price Increase

MONTREAL (Staff)—Reflecting an improved level of demand which promises to continue through at least the early months of 1954, the price of unbleached sulphite pulp is expected to be increased by many producers.

The boost, trade sources report, will amount to $5 per ton and will be effective Jan. 1, 1954. A good share of the industry has definitely decided on the increase, but some mills are still sitting on the fence undecided, so it has not yet become general.

The increase will raise unbleached sulphite to $125 a ton and is regarded as significant both because it illustrates the generally bright immediate market outlook for Canadian pulp and because this particular grade was the "weak sister" in Canada's pulp export picture throughout most of 1953.

For other grades, with one exception, it looks as though prices will remain unchanged for the first quarter of next year. The exception is unbleached kraft from British Columbia mills, which is also being raised by $5 a ton effective Jan. 1. In the 1952 price slide, quotes of these mills dropped more than those of Eastern Canada producers and the $5 increase will bring them more into line.

Exports of Canadian pulps at the moment are continuing at a high level, with demand strong, and that general picture seems likely to continue for the next few months anyway.

Key market in the outlook, of course, is the United States, and production there appears to have shown few signs of a slowdown yet. In early December, paper production was continuing to run about 95% of capacity. Paperboard output dipped slightly to between 85% and 90% of capacity in late November and early December but this drop is regarded at the moment as seasonal and appears to have had no effect on demand for Canadian pulp.

Figures on Canada's pulp exports in November were not available at midweek. For the first 10 months of the year, however, they were up 1.8% from the same period of 1952 at 1,603,000 tons. All chemical grades, except unbleached sulphite, showed an increase. Bleached sulphite was up 10.8% at about 515,000 tons, bleached kraft up 12% at 446,000 tons and unbleached kraft up 10.6% at 135,000 tons. Unbleached sulphite was down 19.5% at 285,000 tons.

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Dom. Tar Extends Cooksville Offer

MONTREAL (Staff)—Dominion Tar & Chemical Ltd. has again extended its offer of $20 to class A and $15 to class B shareholders of Cooksville Co., this time until Jan. 22, 1954. This is the third prolongation of the offer, originally made on Sept. 29, 1953.

It is understood that Dominion Tar has already acquired a more than controlling interest in the building materials firm, despite the continued extensions. Cooksville directors have accepted the plan and called in outstanding preferred shares for redemption.

At Dec. 31, 1952, there were 89,000 of each class of common shares of Cooksville outstanding. Dominion Tar earlier (The Financial Post, Nov. 7, 1953) acquired Brantford Roofing Co.

ANNOUNCEMENT

K. R. THOMSON — ST. CLAIR McCABE — S. F. CHAPMAN, C.A. — ALLAN HOLMES — J. M. DAVIDSON

Roy H. Thomson, President of The Thomson Company Limited recently announced the following executive appointments: K. R. Thomson, Executive Vice-President; St. Clair McCabe, General Manager and Director, S. F. Chapman, C.A., Treasurer and Director; Allan Holmes, Director; J. M. Davidson, Executive Assistant to the President and General Manager of the radio division. K. R. Thomson was formerly General Manager of The Galt Reporter and Manager of Thomson Newspapers' London, England, office. Thomson Newspapers are: Guelph Mercury; Sarnia Canadian Observer; Welland-Port Colborne Tribune; Moose Jaw Times-Herald; Prince Albert Herald; Port Arthur News-Chronicle; Orillia Packet and Times; Oshawa Times-Gazette; Chatham Daily News; Galt Reporter; Kirkland Lake Northern News; Timmins Daily Press; Woodstock Sentinel-Review; Quebec Chronicle-Telegraph; Vancouver News-Herald; Brampton Conservator; Canada Review, London, England; The Scotsman, The Weekly Scotsman, the Evening Dispatch, Edinburgh, Scotland; St. Petersburgh Independent, Florida.

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ANNOUNCEMENT

MARVIN BOWMAN

has been appointed President of the Canadian Machine Tool Builders' Association for the next two years. Mr. Bowman is Sales Manager of Modern Tool Works Limited. Mr. A. R. Davidson, Vice-President of Standard Machine & Tool Co. Limited, Windsor, has been appointed Vice-President of the Association. Other members of the executive are C. H. Stabler, Secretary, Colin Boggs, Treasurer and W. H. Stirling, J. T. Hepburn Jr. and A. E. R. Turner, the past president, executive committee.

Lead, Zinc Buyers' Mart May Be Ending Supply-Demand Shows Better Balance

By GORDON M. GRANT

Is the buyers' market about over for lead and zinc? Will producers soon be realizing better prices?

It's not easy to make any dogmatic prediction of early price increases for these two metals, which are currently quoted at 13c and 10c a lb., respectively, Canadian funds, but there has been a noticeable improvement in the supply-demand situation for both metals which might bring one of those sharp price "turn arounds" which have often been a feature of the base metal mining industry.

Most lead and zinc consumers have apparently planned to end the year with inventories of the two metals at a minimum—and any general buying in the new year could bring a price upswing.

Output of lead and zinc tended to stay at high levels long after prices dropped and this delayed any noteworthy recovery of prices (The Financial Post, Dec. 12). But irrespective of the failure of mine output to shrink in many countries, new statistics and information show a definite tightening up of the supply-demand picture.

It will be recalled that threatened liquidation of U.K. stockpile metal had a great deal to do with the world decline in prices of both lead and zinc. And later supplies of lead and zinc flooded the U.S. market. Now the picture has changed considerably.

Zinc Short In U.K.

In the United Kingdom a shortage of zinc has developed and authorities have not made any further releases of zinc to satisfy demands. A Birmingham correspondent of American Metal Market describes the situation in these terms:

"There has for some time been much dissatisfaction amongst the zinc users in this country over the shortage of supplies, and during past months voices have been raised to point out that the Government might well come to the rescue by releasing metal from their very ample stocks. But so far the authorities have turned a very deaf ear to these suggestions, and, indeed, their attitude has been, at any rate since July last when the Government broker ceased to operate in the ring, that with the disposal of some 64,000 tons in monthly sales to the trade over a period of months, no further official help should be required, or for that matter, expected."

Zinc from Australia was diverted to the U.S. early this year while U.K. imports of Canadian zinc were also below normal. That has contributed to the U.K. "shortage."

The big flood of refined zinc metal into the United States appears to have ended as well. Only 8,500 tons of zinc was imported into the United States in October compared with 10,351 tons the previous month and an average of 24,600 tons in the first eight months of 1953. There was only a 7,815-ton average for the first 10 months of 1952.

Some increase in U.S. imports of zinc in concentrates occurred in October, but concentrate imports have only been about 10% higher in 1953 than 1952, haven't represented the problem of refined metal. Use of zinc in die-casting in the U.S. is expected to be an all-time high of 276,000 tons in 1953.

The decline in the price of lead wasn't as great as that for zinc and this heavy metal has not been as much a problem for the producing industry as zinc. But many lead producing companies have nevertheless been needing a more profitable price level.

U.S. Lead Imports Drop

U.S. imports of refined lead have been dropping sharply. October imports of 13,845 tons compare with 20,162 for September, 38,061 for August and a 10-month 1953 average of 35,398 tons; 1953 imports of refined lead will almost certainly be well under 1952's 510,720 tons. There has been a rise in lead imported into the U.S. in the form of concentrates in 1953 to 20,272 tons in October after a very sharp drop in September to 8,379 tons following import of 25,191 tons in August but the over-all lead import picture appears to be coming into better balance.

Reports continue to be received of further reductions in output inside the United States.

Prices of both lead and zinc have continued firm around present levels. With a big producer like Cominco reducing zinc output by 25% effective Jan. 1, the base metal price structure could easily take a turn for the better. If buyers in the new year decide that they need metal and climb on the buying bandwagon, present pessimism about lead and zinc might be largely abated. A lot will depend on the course of business.

15c Net Before Depreciation Seen By Cobalt Consolidated

With gross metal recovery of $1,476,012 for the first 11 months of 1953, Cobalt Consolidated Mining Corp. reports profits have been estimated before depreciation at $332,000 for the period. Management anticipates that by year-end, earnings before depreciation will be at the rate of about 15 cents per share.

Approximately $280,000 of current earnings has been expended in exploration and development, resulting in a substantial increase in ore reserves and several new areas indicated for development.

November production continued at the level of recent months, amounting to 54,248 lbs. of cobalt and 98,047 oz. silver with some copper and nickel from 10,358 tons of ore with gross value of $135,090.

A new ore zone located in the north drift on the 358-ft. level of the Right-of-Way mine, 150 ft. north-west of the main shaft has now been drifted on for about 100 ft. About 40 tons of ore per day are being drawn from this development heading. This ore is averaging about 7 lbs. of cobalt and 20 lbs. of nickel per ton.

Centralization of mining operations through the Crown Reserve shaft has now been completed and development of the cobalt ore from Kerr Lake is now under way. It is expected that 60 tons of ore per day will be drawn from this mine. Exploratory underground diamond drilling is being carried out and has already intersected a cobalt vein containing 30 lbs. of cobalt per ton across drift width.

At the Cobalt Lode mine, one of the most important recent developments has been the location of rich silver ore on the 600-ft. level, No. 2 vein. A length of 92 ft. has been drifted on, over half of which was high grade 2 to 6 in. wide and varying between 1,000 and 10,000 ozs. to the ton. The remainder was good milling ore, grading between 25 and 60 oz. to the ton over drift width. This zone is estimated to contain approximately 500,000 oz. of silver on the development carried out to date. The 600-ft. level is already the best level from viewpoint of richness and continuity of ore so far located in the diabase. Work on the No. 1 vein gives indications of locating additional ore in this area and a complete re-examination is being carried out by the geological staff.

The dewatering of the Cobalt Lake fault group of claims is now under way through the Right-of-Way shaft. As the water recedes from each level it is proposed to thoroughly examine the same with a view to mining the cobalt ore zones indicated as left in place by former operators.

Edward George James, of Slefold, Ewhurst, Surrey, England, representing a group of British industrialists who contemplate making a substantial investment in the operation, was recently elected to the board.

TOWN OF BRACEBRIDGE, Ont., has sold $45,010 5% debentures due Dec. 15, 1954-73, to J. L. Graham & Co. Debentures were offered to yield 4.625%. Proceeds to finance trunk sewer and drain.

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'Jitters' Follow Vargas Speech, But Brazilian 'Not Threatened'

A statement by President Vargas of Brazil regarding that country's future possibility, gave investors in Brazilian Traction Light & Power Co. the jitters this week.

While press reports of the Vargas speech's contents varied, a suggestion that the big Canadian utility in Brazil might be expropriated, cut $1 a share off the market price Dec. 22, the day the news was reported.

President Henry Borden of Brazilian Traction, in a statement, said that in his judgment, President Vargas' remarks "should not be considered a threat to those power companies doing business in Brazil which have to the best of their ability endeavored to fulfill their obligations and increase their facilities to meet the ever-growing demands made upon them."

The Vargas Speech

Vargas' speech, made before a provincial governors' convention, outlined plans for a national hydro-electric power program which would be put before the Brazilian Congress at its next session, which begins next month. The plan was designed to increase electric power output.

He was quoted in one report, as saying that "the plan is being sabotaged to a certain extent by certain firms which convert our cruzeiros into dollars and send them out of the country. We will have to expropriate those firms which are not giving the services we desire unless we can create the necessary funds for establishing an electric power industry on a sound basis."

In his statement, President Borden said it didn't surprise him that the President of Brazil should propose an over-all federal power program to meet the needs of Brazil as a whole.

"The development and production of additional power could well follow a national plan worked out by the Government in conjunction with the existing power producing companies operating in Brazil," he said.

"Insofar as Brazilian Traction and its operating subsidiaries are concerned, they will continue to co-operate fully with the Brazilian Government to this end and will give every assistance within their power in so doing."

Brazil's industrial expansion has required large expansion of its power-producing facilities, and despite the growth in power production that has taken place, there are still shortages in certain areas. The shortages have been aggravated by abnormally low rainfall.

Harmony With Government

Brazilian Traction's accomplishments in stepping up power production and its plans are well known to the Brazilian Government, Mr. Borden pointed out. "In the course of working out these plans and implementing them, there have been almost continuous negotiations and discussions with the Brazilian Government, and these have been carried on in a most harmonious and co-operative spirit."

Brazilian Traction's capital expenditures in 1952 totaled $81 millions, and program this year was expected to total $108 millions.

Observers here were anxiously awaiting a chance to study the exact text of the Vargas address. One point brought up was whether his speech mentioned nationalization or expropriation. If it was the former, it could mean that to increase the Government's degree of control under a national power policy, Brazil may insist on having all operating companies incorporated in Brazil. It would not mean necessarily that they would be taken over by the Government.

Brazilian Traction has already undertaken a policy of establishing Brazilian subsidiaries as national Brazilian corporations.

Just last week, the International Bank for Reconstruction and Development announced loans to Brazil totaling $22.5 millions, $10 millions of it for hydro development. Brazilian Traction has had a loan of $90 millions from the IBRD, and has been negotiating for another loan of $19 millions.

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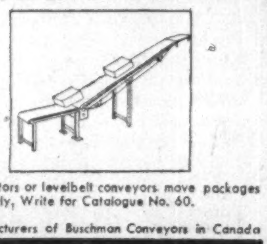

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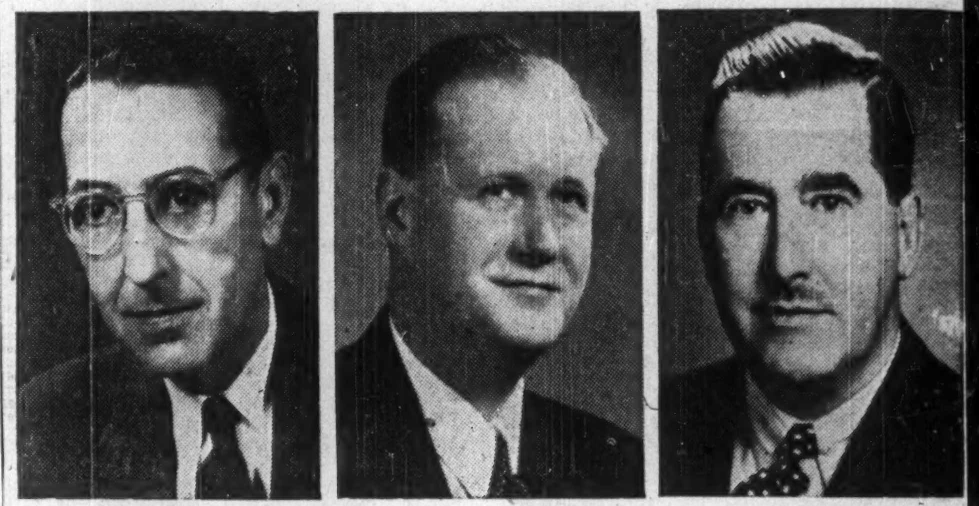
ANNOUNCEMENT

Somerville Limited Executive Appointments



ALAN G. SHILLINGTON — F. CLIFFORD LENNOX — F. PIERCE REID

Two executives of Somerville Limited, London, have been appointed Vice-Presidents of the Company, and three to the Board of Directors, it is announced by President and General Manager R. A. Irwin. Alan G. Shillington becomes Vice-President in charge of Production and a Director. F. Clifford Lennox has been appointed a Director and Vice-President in charge of Sales. Also appointed to the Board of Directors is F. Pierce Reid, Managing Director of the Consolidated Lithograph Manufacturing Division of the Company.

Somerville Limited produces packaging of all types, paper bags and wraps, point of sale displays, games and toys, fabricates hardboard and fibreboard for the automotive, radio and television industries. Plants are located in London, Toronto, Windsor, Montreal, and the sales organization extends from coast to coast in Canada.

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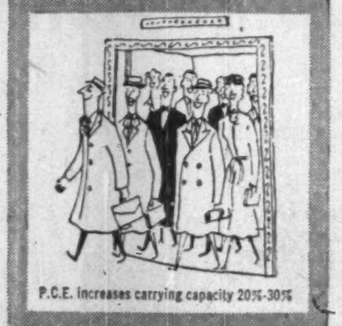

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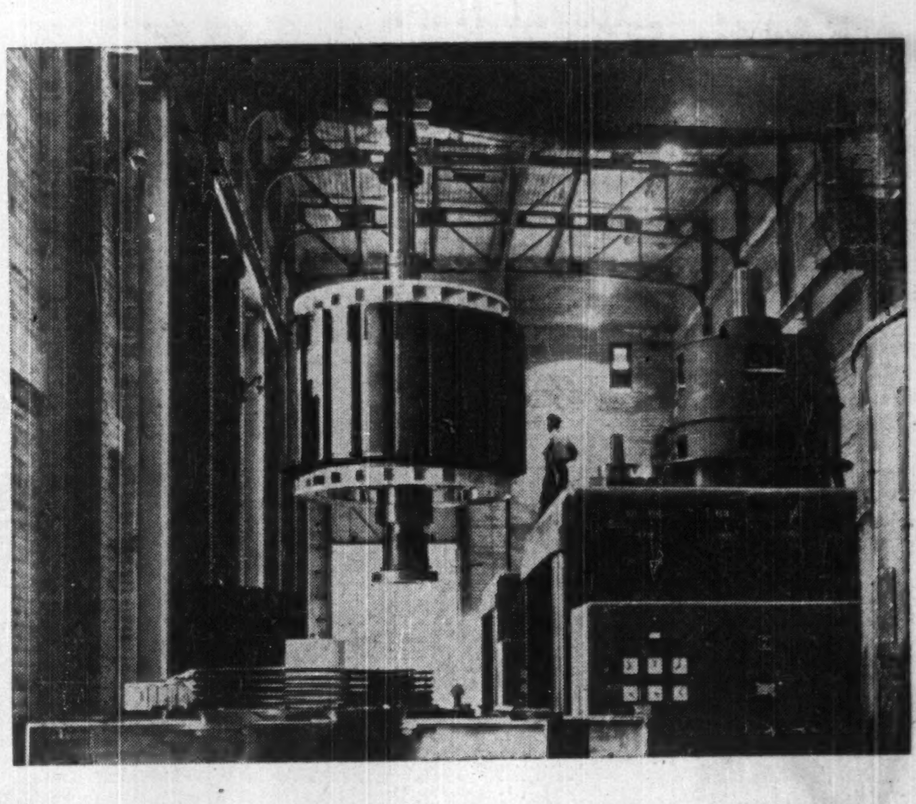

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ANNOUNCEMENT

WILLIAMS & KNOWLES STEEL APPOINTMENT

ED. C. GRANT

Mr. H. Grant, President of Williams & Knowles (Ontario) Limited, Steel Warehouse, Toronto, Ontario, is pleased to announce the appointment of Mr. E. C. Grant as Sales Manager, in charge of Sales and Advertising.

Mr. Ed. Grant brings a wide background of experience to his new position having served as Maritime Sales Manager of a large Industrial Saw and Machine Knife Manufacturing Company for the past eight years and previously as Purchasing Agent.

Williams & Knowles (Ontario) Limited, in addition to their steel warehouse facilities, have recently expanded their operations to include the fabrication of steel for building construction and are associated with Williams & Knowles (Quebec) Limited, operating a steel warehouse in Montreal.

LAVAL DES RAPIDES, QUE., has sold $136,000 4% bonds due Dec. 1, 1954-63, and $223,000 4½% due 1964-73, to Durocher, Rodrigue & Co. at 94.48. Net cost 5.04%. Proceeds for waterworks, sewage works and pavings. Net funded debt at Dec. 31, 1952, $969,100; population 5,797.

VALLEYFIELD, QUE., has sold $115,500 3% bonds due Nov. 1, 1954-63, and $24,000 4% due 1964-73, to Wood Gundy & Co. and A. E. Ames & Co. at 93.11. Net cost 4.48%. Proceeds to redeem bonds and for various public works. Net funded debt at Dec. 31, 1952, $1,349,800; population 23,500.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

O'BRIEN GOLD MINES realized a net profit of $32,806 or one cent a share the year ended Sept. 30, slightly more than in the previous year. Profit included only $440 from mine operation against $10,317 a year earlier.

Ore reserves showed a decline of almost one third, as noted below, but do not reflect the reaching of No. 1 vein on the bottom level since close of the company's year.

Two prospecting parties found nothing of interest last year but O'Brien, in association with American Metal Co. and certain mining companies, is undertaking a five-year exploration program by Exploration Projects of Toronto. Emphasis will be on application of geophysical techniques to discovery of mineral deposits. A contribution of $12,000 annually is being made to the program and an 8.5% interest will be held in any resulting discoveries.

A 2% interest was held in Oil Well Operators and $50,000 of a $100,000 commitment has been paid. Oilwell Operators has brought in three producers in the Erskine field with favorable prospects for additional wells in the same area.

INCOME ACCOUNT

Years Ended Sept. 30:	1953	1952
Bullion prod.	$826,263	$892,793
Add: Other inc.	47,438	46,952
Cost-Aid assist.	130,500	114,972
Total income	1,004,201	1,054,717
Less: Oper costs	892,317	926,303
Admin., etc., exp.	50,925	52,128
Depreciation†	13,080	19,017
Out expl. w/o	14,308	29,386
Tax res.	765	29,386
Net profit▪	32,806	27,883
Less: Dividends	65,000	162,500
Deficit for year	32,194	134,617

†In addition deprec. of $6,898 in 1953 and $8,976 is included in operating costs.

▪Net profit in co's report includes $3,873 profit on realization of inv. in 1953 and $3,336 on sale of fixed assets and deducts loss of $625 on sale of govt. bonds in 1952.

	1953	1952
Earnings per Share	$0.010	$0.008
Paid	0.02	0.05

CONDENSED BALANCE SHEET

As at Sept. 30:	1953	1952
Cash & bullion	$142,699	$138,951
Mkt. secs & int.▴	1,452,207	1,501,384
Accts. rec.†	7,721	9,876
Cost-Aid assist.	32,300	90,378
Total curr. assets	1,634,927	1,740,589
Stores & def. chgs.	176,130	177,718
Misc. assets	9	9
Part. in explor.	99,671	25,000
Claims & props.	1,385,123	1,385,123
Plant & equip.*	47,245	65,732
Total assets	3,363,105	3,394,171
Accts. etc., pay.	49,350	47,718
Taxes reserves	292	......
Total curr. liabs.	49,642	47,718
Def. liab.	8,350	13,121
Capital stock	3,000,000	3,000,000
Surplus	305,113	333,332
*After depr. of	974,744	960,170
▴Mkt. value	1,388,701	1,431,733

†Including tax refund of $1,289 in 1953 and $1,585 in 1952.

	1953	1952
Working capital	1,605,285	1,692,871

OPERATING STATISTICS

	1953	1952
Tons milled	64,030	67,673
Aver. recov.	$12.90	$13.19
Ore reserves, tons	63,153	93,385
Aver grade, oz.	0.439	0.392

Western Oils

COMMONWEALTH PETROLEUM realized a net profit of $1,088,167 or 54.4c a share the year ended Sept. 30, 1953, a slight increase from the 48.0c of a year earlier. Dividend income of $1,103,570 in the latest year included $1,069,488 of dividends from subsidiary and associated companies.

"Our dividends, which have been liberal, are due in part to the fact that our development has not been extensive and dividends received from our subsidiary companies have enabled us to maintain our dividend rate of 35c a share," President F. F. Reeve reports.

The surplus of one subsidiary is stated to have been reduced during the year but earnings of another company considerably exceeded dividends paid, leaving combined surpluses of subsidiaries at approximately the same level as a year previously.

Acreage holding was little changed during the year except in Calling Valley where additional acreage was taken before geophysical work. Results are stated not to justify drilling at this time. A dry hole in which Commonwealth was interested in the Craigmyle area cost $39,697.

Holdings include 942,957 of 1,133,823 issued shares of Commoil Ltd., 1,478,342 of 1,679,916 issued shares of Command Oils, 948,870 of 1,437,300 issued shares of Commonwealth Drilling Co. and 45,000 of 125,003 shares of Commonwealth Supply Co. A $1,324,904 book value of quoted shares of subsidiary companies had a $6,193,175 book value at Sept. 30, 1953.

INCOME ACCOUNT

Years Ended Sept. 30:	1953	1952
Net income	$1,217,157	$1,101,885
Less. Gen. exps.	119,597	111,646
Dev. & expl. exp.	9,393	31,303
Net profit	1,088,167	958,936
Less: Dividends	699,758	699,758
Surplus	388,409	259,178
Earned per Share	$0.544	$0.480
Paid	0.35	0.35

CONDENSED BALANCE SHEET

As at Sept. 30:	1953	1952
Cash	$19,551	$211,510
Mkt. secs.	734,812	552,522
Inventories	15,052	15,052
Accts. rec.	660,220	627,662
Total curr. assets	1,429,635	1,406,746
Misc. assets	140,509	44,934
Invest. in sub., etc.	2,919,715	2,461,416
Sundry royalties	389	437
Leases & dev.	171,209	140,815
Fixed assets*	44,022	185,337
Total assets	4,705,479	4,239,685
Total curr. liab.	740,909	609,701
Mortgage	......	84,470
Capital stock	667,629	667,629
Earned surplus	3,296,941	2,877,885
*After depr. of	27,221	29,800
Working capital	688,726	797,045

Mining

EASTERN METALS in its annual report for year ended Aug. 31, 1953, over signature of Andrew Robertson, vice-president and managing director, states "directors are arranging for marketing of the concentrate and financing construction of the smelter. The present underground program will be far enough advanced in a few weeks so these plans can be finalized."

Balance sheet as at Aug. 31, 1953, shows $887,669 of investment in and advances to afilliated companies not included in current assets of $72,875. Current liabilities were $51,924. An advance of $238,372 to Ascot Metals is stated to represent "marketable bonds" which will provide ample funds to complete the pre-production underground program. Current expenditures are running approximately $30,000 monthly.

Shares of Ascot Metals of $176,381 book value had a $54,780 market value while $472,540 book value of Quebec Nickel shares had a $369,915 quoted value.

By Dec. 10, 1953, initial 252 ft. of drifting on the new 450 or 3rd level averaged 1.77% nickel across drift width of 6.7 ft. Testing the full width of the ore body by flat diamond drill holes is now in progress. Crosscutting to the South or copper zone is proceeding on the 450-ft. level, and several weeks more of intensive work will be required to fully evaluate what appears to be the most important ore body encountered to date, Mr. Robertson states. Work is proceeding to open both north and south zones on the 300-ft. level.

"Metallurgical tests on the ore show it can be readily concentrated and plans are currently being drawn for the construction of a 1,000-ton daily capacity nickel-copper concentrator," Mr. Robertson advises.

New Larder Cuts Second Ore Body; Buy Mining Plant

What appears to be possibly another big ore body has been indicated by New Larder "U" Island Mines in a drill hole 1,500 ft. to the north of its original deposit. A feature of the new occurrence, however, is that the high-grade lead-zinc values are apparently coming in at quite shallow depth. On the original body, drilling had to get down to around the 1,000-ft. horizon to get into the richer concentrations of ore.

The new ore body was reached at a depth of 227 ft. in the hole and was still in it at 290 ft. early this week.

More geophysical work is now being done on the strong gravimetric anomaly to the east of the main ore body. A first inclined hole is believed to have been too shallow to intersect ore and a vertical drill hole is now planned to get below 1,000 ft.

New Larder "U" has purchased a mining plant, and sinking of a shaft to an initial objective of 1,200 ft. is expected to get under way in March. Diamond drilling will continue while shaft sinking progresses. Six drills are at present in operation.

Cut Ore at 500 Ft. At Quebec Nickel

Ore has been intersected at the 500-ft. horizon by Quebec Nickel Corp., near the west end of Gordon Lake, Andrew Robertson, vice-president and managing director, reports.

In the meantime, the three-compartment shaft has been carried to 40 ft. and was expected to be collared at Christmas time.

Hole B-47, drilled at 85 deg. under B-9, pulled a 3-ft. section averaging 6.18% nickel and .15% copper from 476 to 479 ft. with 2 ft. averaging 1.14% nickel from 564 to 566 ft. B-9, the earlier 45 deg completion, had assayed 0.24% nickel, 0.51% copper and 0.10 in precious metals from the west shoreline.

Hole B-46, drilled at 65 deg. under earlier hole B-10 at a point 100 ft. west, returned a 12-ft. section averaging 1.69% nickel, 0.50% copper and 0.29 in precious metals from 378 to 390 ft. A greater width of 16 ft. from 378 to 394 ft. ran 1.39% nickel, 0.71% copper and 0.33 in precious metals. B-10, completed previously at 45 deg. had cut 0.65% nickel from 350 to 351.5 ft. and approximately 4% nickel from 351.5 to 353 ft.

The drill has since been moved easterly to the ice of Gordon Lake where this winter's program of deep drilling from the ice is just starting, now the freeze-up is over.

SEPT ISLES, Que., School Commission has sold $68,500 4% bonds due Nov. 1, 1954-58, and $39,500 4½% due 1959-73, to group headed by J. E. Laflamme Ltd. at 95.02. Net cost 5.3%. Proceeds for construction of school. Net funded debt at June 30, 1953, $148,000. Provincial grant of $70,000 payable in five annual installments. Net funded debt at June 30, 1953, $148,000; population 3,600.

BRITISH COLUMBIA POWER CORP. — An additional 150,000 new n.p.v. common shares were admitted to trading on the Montreal Stock Exchange Dec. 18.

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Montreal, Canada

THE ROYAL BANK OF CANADA

General Statement

30th November, 1953

ASSETS

Notes of and deposits with Bank of Canada	$ 226,402,543.82
Other cash and bank balances	181,033,444.16
Notes of and cheques on other banks	193,484,323.76
Government and other public securities, not exceeding market value	972,141,264.96
Other bonds and stocks, not exceeding market value	101,301,756.80
Call and short loans, fully secured	149,280,473.79
Total quick assets	$1,823,643,607.29
Other loans and discounts, after full provision for bad and doubtful debts	994,865,750.13
Bank premises	20,871,991.94
Liabilities of customers under acceptances and letters of credit	51,213,786.75
Other assets	5,261,053.05
	$2,895,856,189.16

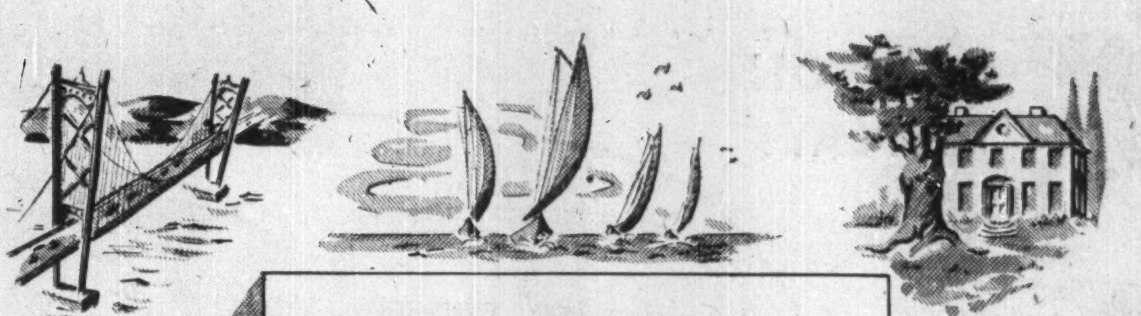
LIABILITIES

Notes in circulation	$ 83,335.04
Deposits	2,734,644,076.93
Acceptances and letters of credit outstanding	51,213,786.75
Other liabilities	1,615,814.82
Total liabilities to the public	$2,787,557,013.54
Capital	35,000,000.00
Reserve Fund	70,000,000.00
Dividends payable	1,783,800.83
Balance of Profit and Loss Account	1,515,374.79
	$2,895,856,189.16

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1953, after making appropriations to Contingency Reserves, out of which full provision for bad and doubtful debts has been made		$18,952,608.56
Provision for depreciation of bank premises		1,365,472.39
		$17,587,136.17
Provision for income taxes		8,952,000.00
		$ 8,635,136.17
Dividends at the rate of $1.20 per share	$ 4,200,000.00	
Extra distribution at the rate of 20¢ per share	700,000.00	4,900,000.00
Amount carried forward		$ 3,735,136.17
Balance of Profit and Loss Account, 29th November, 1952		780,238.62
		$ 4,515,374.79
Transferred to Reserve Fund		3,000,000.00
Balance of Profit and Loss Account, 30th November, 1953		$ 1,515,374.79

JAMES MUIR, President — T. H. ATKINSON, General Manager



A Setting For Industry

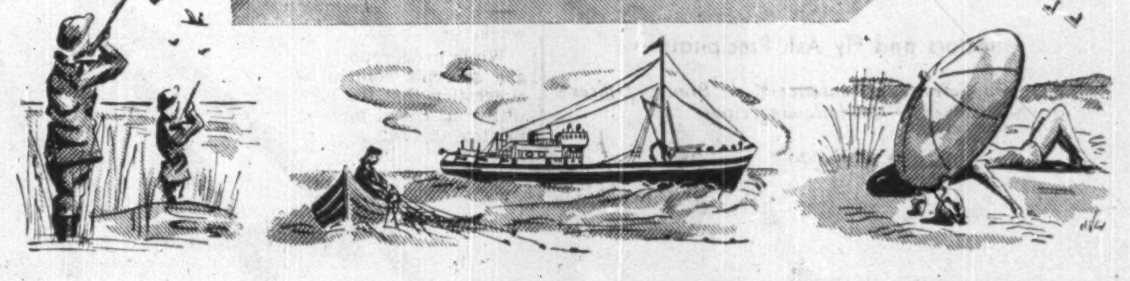
The choice of a business site is governed by many important factors—supplies of raw materials, proximity of markets, labour, transportation—and, not the least important, whether the particular district under consideration is one where staff will be happy to work and happy to live—a combination that helps ensure good relations between executive and labour.

Meeting as it does most of Industry's basic requirements Nova Scotia excels in this last consideration, for it has a moderate climate, with open highways in the winter and the summer heat tempered by fresh sea breezes—it provides the opportunity for sports of all kinds at everyman's back door—salt and fresh water fishing and swimming, hunting and sailing—enjoyed by rich and poor alike. A Province where shady trees, verdant lawns and colourful gardens grace homes both small and large.

As well as a rapidly expanding SELLER'S market, Nova Scotia has steel, coal, lumber, gypsum, salt, limestone, fish and agricultural products available in quantity—*and it has a government that is alive and ready to aid Industry and Commerce.*

For further information write to:-

The Department of Trade & Industry
HALIFAX, NOVA SCOTIA



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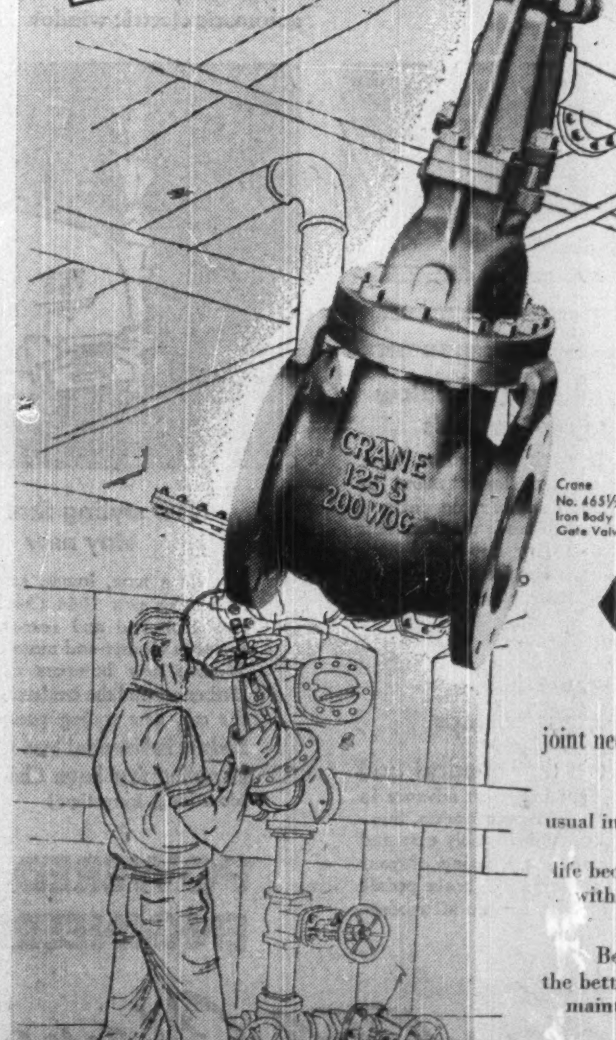

Crane No. 465½ Iron Body Gate Valve

CRANE VALVES

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A typical example of low-cost maintenance—Crane No. 465½ 125-Pound Iron Body Gates. Rarely does the bonnet joint need attention. Flange construction includes reinforcement to prevent distortion and utilizes more bolts, more closely spaced, than is usual in valves of this class. Crane precision-guided seating reduces seat and disc wear. Packing has long life because these valves have a deep stuffing box filled with high grade asbestos ring packing. A ball-type gland helps to equalize the packing load.

Better performance features like these make Crane the better buy in valves of every type. They assure low maintenance cost—low ultimate valve cost—for every piping service.

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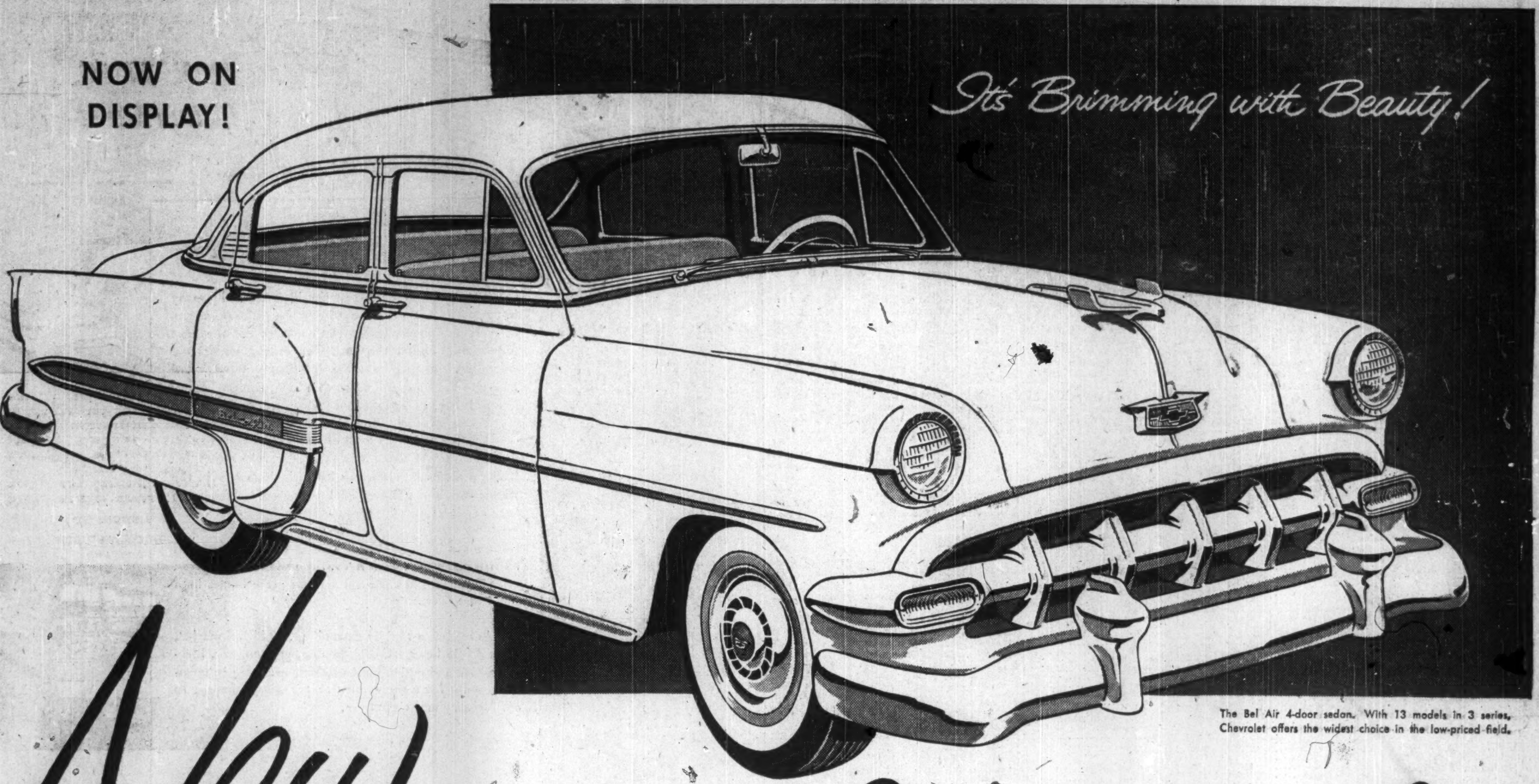


The Bel Air 4-door sedan. With 13 models in 3 series, Chevrolet offers the widest choice in the low-priced field.

New 1954 Chevrolet

Come see the most beautiful, most powerful Chevrolet ever built . . . the new car that combines great new performance with money-saving gas mileage!

More things more people want, that's why

More People Buy Chevrolets Than Any Other Car!

This is what you're going to find when you come in to check over this new '54 Chevrolet: In every way, Chevrolet now brings you even more of the things you want.

More beauty with brilliant new styling in Body by Fisher and bright new color harmonies outside and inside the car.

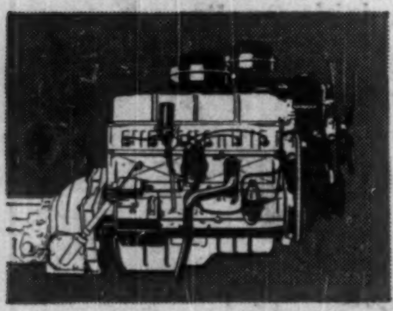
More power and finer performance with new high-compression engine power in all models.

More comforts and conveniences, including the richest and most luxurious interiors in Chevrolet history, and such new features as automatic electric window and seat controls.

And, thanks to advanced Chevrolet engineering, all this with new economy, too. Chevrolet is the new car that combines finer performance with important gasoline savings.

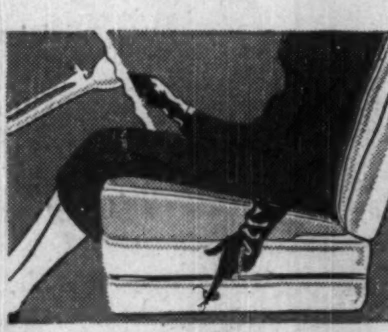
The fact is, you'll find that no other car offers so many things you want at such low cost. That means the low first cost of the lowest-priced line in its field. And it means money-saving economy of operation and upkeep, as well.

The colorful, new 1954 models are ready for your inspection. Stop in and take a good look at the best-looking Chevrolet you ever saw . . . and your best buy for 1954!



Thrifty new power in all models

Now Powerglide models offer the most powerful Chevrolet engine ever — the "Blue-Flame 125". Gearshift models have the advanced, more powerful "Blue-Flame 115". Both high-compression engines bring quieter, smoother and finer performance with important gas savings!

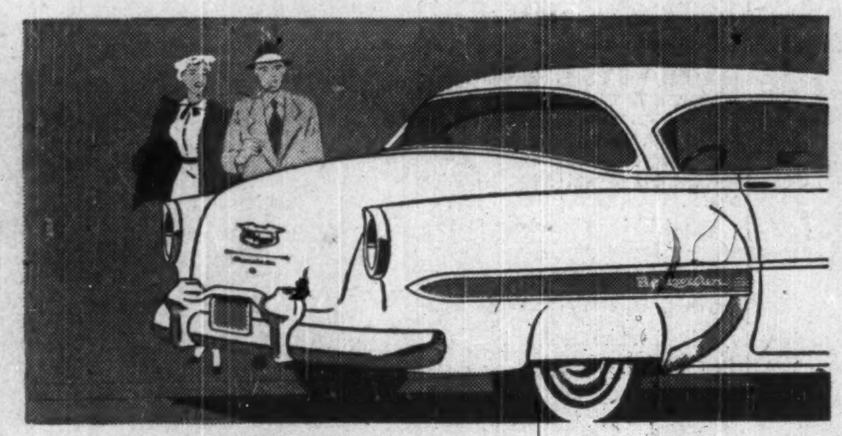


New, automatic window and seat controls

Now, at the touch of a button, front windows are electrically raised or lowered. Touch another conveniently placed control to move the front seat up and forward or down and back into your most comfortable position. Optional on Bel-Air and "Two-Ten" models at extra cost.

Power brakes for easier stops

Chevrolet in the low-priced field brings you another great advance in driving ease — Power Brakes. Stopping is almost unbelievably easy and convenient — just a swing of your foot from accelerator to brake pedal! Optional at extra cost on all models.



New styling that will stay new

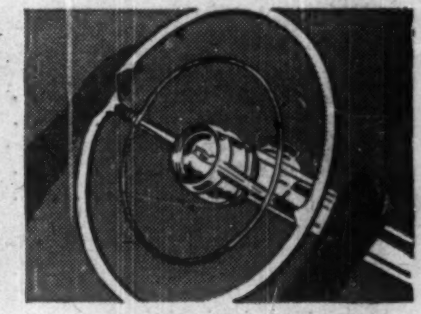
There's a new, lower, smarter look about this new 1954 Chevrolet. The new front-end and rear-end designs are even cleaner and more distinctive. Massive new bumpers extend even farther around the fenders. All around the car, new styling presents Fisher Body at its beautiful best. It's the kind of styling that keeps Chevrolet new for a long, long time!

New interior richness

Here's the kind of quality you'd expect to find only in high-priced cars. Fine new upholstery fabrics with a more liberal use of durable, beautiful vinyl trim. New color treatments in harmony with the brilliant new exterior colors. Built-in arm rests on all Bel Air models. And of course Chevrolet offers the luxury and craftsmanship of Body by Fisher.

New, lower price on power steering

Chevrolet Power Steering substantially reduced in price! That's good news to everyone who wants to steer and park with the utmost ease and safety. Chevrolet Power Steering does 80% of the work to give easy, sure control. It's optional on all models at extra cost.



New, wider choice of Powerglide models

Now, Powerglide automatic transmission is available on all models. Powerglide is preferred as the smoother automatic transmission that gives instant response and positive acceleration. Teamed with the "Blue-Flame 125" engine, it's optional at extra cost.

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